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C789
1869

PROCEEDINGS

of the

LONDON

Co-operative Congress,

1869.

Price One Shilling.



London: F. Pitman, 20, Paternoster Row, E.C.

PROCEEDINGS
OF THE
CO-OPERATIVE CONGRESS
HELD IN LONDON,

AT THE THEATRE OF THE SOCIETY OF ARTS,

May 31st, and June 1st, 2nd, & 3rd, 1869.



Reprinted chiefly from "The Co-operator,"

AND EDITED BY

J. M. LUDLOW.




London:

F. Pitman, 20, Paternoster Row, E.C.

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PREFACE.

o much of delay has occurred in the publication of this Pamphlet, that a word of Preface has become necessary now, which I trusted might have been dispensed with.

Death has been busy of late amongst the Leaders of Co-operation. English Co-operators have lost Wm. Cooper and James Smithies; German Co-operators now mourn for one who has been the father of Co-operation in that country—Professor V. A. Huber, of Wernigerode, Member of the Arrangement Committee of the late Congress. He died on the 19th July—carried off, after a few days' illness, in the 71st year of his life. No man had done so much to circulate a knowledge of English Co-operative effort in Germany. In his own country, standing aloof from all parties, he could tell the truth to all. "Even his opponents," writes a friend, "regret very much his loss." One who never knew him even personally, says:—"When I read his death in the paper, it was as if a dear old friend had died: I was sad for the whole day." Friends of twenty years' standing lament him amongst ourselves.

Italy, too, has lost (August 2) one of her popular leaders, whose name had also been added to the list of the Congress Arrangement Committee—Giuseppe Dolfi, the Florentine tradesman, who, more perhaps than any other single person, helped to turn out a Sovereign Grand-Duke, and remained a baker; used his influence neither for pelf or power, his fortune to feed the poor in time of dearth, and to promote all schemes for the Self-help of the many—the "People's Bank," the "Artizans' Fraternity," &c., of his city.

France, too, has lost one whose name is indeed nearly quite unknown in England, but who was one of the staunchest friends of the Parisian workers. The glory of French Co-operation, the "Association des Maçons," would, I am assured, have gone to pieces long ago but for the wise counsel of M. Huet.

To return to the brighter aspects of the question: Co-operators will be glad to know that the continuation—though still only temporary—of the Co-operative Dépôt, by Mr. R. Stephens, at 337, Strand, seems likely to prove a success in opening a market to Productive Societies; and that the question of the Co-operative Bank is to be taken seriously in hand by our Northern friends. Nor can I omit to notice the remarkable proposal in the Industrial Partnership of Briggs and Co., that Working Men Shareholders should name a Director.

A Russian visitor, M. Nicolas Balline—delegated by a Co-operative Society of 700 members at Kharkof, centre to a group of about 30—brings cheering accounts of Co-operative Stores in Russia, especially in the south.

There remains for me only now to bespeak the indulgence of those into whose hands this pamphlet may fall, towards its many faults—the often imperfect reports of the discussions, the absence of one or two papers (in particular the valuable one of Professor Viganò), &c.; and to express the hope that the work of the Congress will prove a worthier memorial of it than this record of its Proceedings.

J. M. L.

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PROCEEDINGS

Co-operative Congress held in London,

at the Theatre of the Society of Arts,

May 31st, and June 1st, 2nd, & 3rd, 1869.

IN the 28th of August, 1868, at the rooms of the Agricultural and Horticultural Association, No. 29, Parliament-street, Westminster, a meeting or conference of gentlemen interested in Co-operative undertakings was held, under the presidency of Mr. Vansittart Neale, at which it was agreed to call a Congress in London, in February, 1869; to raise a guarantee fund for the purpose; to invite Co-operative Societies of Production, both at home and abroad, to send samples of their respective manufactures to the Congress for exhibition, requesting them to state what proportion of their profit was allotted to capital, what to labour, and what to custom; and to procure special addresses to be delivered on the occasion by leading Co-operators.

A circular for better carrying out the resolutions of the above Conference (from the pen of Mr. Lloyd Jones), was issued in October, 1868. As it was afterwards, in great measure, embodied in the Address of the Arrangement Committee, to be presently noticed, it need not be further referred to here.

The appeal met at first with a somewhat lukewarm response, and it was found impracticable to convene the Congress at the early date suggested. But the seed sown must have germinated unseen in the ground, for at a further Conference, called by that indefatigable veteran of Co-operation, Mr. William Pare, on the 2nd March, 1869, at Stubbs's Mercantile Offices, Gresham-street, in the City of London—Mr. Vansittart Neale again in the chair,*—both a larger attendance was secured, and a warmer interest evinced in the proposal. The result of this meeting was the appointment of a committee, which took the name of the "Arrangement Committee," and which placed itself in communication with a body meeting yearly in the North, under the title of the "Conference Committee of the Lancashire and Yorkshire Co-operative Societies," composed of delegates from the societies in question. Fortified by the promised aid of the latter—which at its yearly meeting of 1869 (March 26) unanimously agreed to recommend to the various stores to co-operate with the Arrangement Committee for the better carrying out of its objects—and having been able to secure the spacious theatre of the Society of Arts for the meetings of the Congress, the Arrangement (or, as it may, perhaps, be better termed, the Congress) Committee issued an address, based, as before mentioned, in great measure on that of the previous year, fixing the date of the Congress on May 31 and the following days, explaining its purpose, the nature of the business to be transacted, and inviting support. The following are its principal passages:—

* Absence from England prevented Mr. Neale from taking part in the proceedings of the Congress, with which, however, his name remains connected through these preliminary Conferences.

The rapid growth of Co-operation is one of the most remarkable facts in modern history.

Originating with the working classes, a system of business has been introduced, which, if rightly carried out, promises to change completely the social and industrial aspects of the country, by altering in its very essence the relationship between buyer and seller, employer and employed.

Whether this most important movement shall be so wisely conducted as to achieve a speedy and complete success, with as little disturbance and loss as possible to those interests and persons that are likely to be affected by it, is a question of deep interest to the community—especially to those who, as Co-operators, are practically engaged in working out the change.

Co-operation is spreading everywhere; but its leading principles are not strictly defined, or its higher aims understood. The methods of business, in distribution or production, of the different societies, are not in harmony. Its success in individual cases is doubtful where it might be certain; whilst where failures and losses occur, they are at once hurtful to those who enter on such experiments, and a grave discouragement to others.

While the success of the movement is no longer doubtful, there are obstacles to be removed, dangers encountered, and higher objects sought, which render counsel necessary among those who have studied the principles of Co-operation, and who have practically engaged themselves in its working. . . . It is hoped that every society which desires to receive or give aid or counsel, will send a delegate. *To this end we especially request that officers of societies will take the earliest opportunity of laying this address and the accompanying papers before their members.*

We appeal also to the Trade Societies, than which no other bodies amongst the working class are capable of deriving more benefit from Co-operation. Such of the trades as are still liable to the mischief of truck, know that the Co-operative store is the best antidote to the truck-shop. All must feel that the power to give reproductive employment would be a better bulwark to them than any amount of accumulated capital lying idle at a bank. It is earnestly hoped, therefore, that all such societies will send representatives to the Congress, and give to it the benefit of their support and of their counsel.

If practicable, it is intended during the Congress (which will of necessity last several days) to exhibit to the delegates and the public, specimens of the productions of Co-operative Societies and Partnerships of Industry, with particulars of the place of production, wholesale prices, the mode in which profits are divided, &c. &c.

* * * * *

The Committee have resolved that the following subjects shall engage the attention of Congress, to be introduced by the reading of short Papers on each:—

- i. What further steps can be taken to give effect to the Resolution of the Trades Congress held in Manchester in June, 1888—"To utilise the organisation of the Trades Unions for Co-operative purposes."
- ii. The best means of making Co-operative Societies mutually helpful, *e.g.*:—
 - a.—By bringing the Productions of Co-operative Societies into the Co-operative and general markets.
 - b.—By instituting a system of Guarantee, Banking, and Labour Exchange.
 - c.—By applying Co-operation to Agriculture and Horticulture.
 - d.—By combining Manufactures with Agriculture and Horticulture.
 - e.—By Educational Establishments, which may be rendered self-supporting by Industrial Co-operative enterprise.
 - f.—By forming an Organisation of all Co-operative Societies and Co-operators at home and abroad.
 - g.—By seeking an amendment of the Law where it is found to hamper Co-operative exertions.
- iii. What are the chief causes which have led, in some instances, to the failure of Co-operative Stores, and also Manufacturing Establishments? and what are the fundamental conditions necessary in each case for success?
- iv. In *Partnerships of Industry*, what division of profits, as between Capital and Labour, is the most likely to produce perfectly harmonious action, and therefore the largest measure of success? In other words, what division is most equitable, and what *now* is most practicable?
- v. The best practical means of promoting a knowledge of Co-operation among the People, and of diffusing the most approved Plans for conducting Stores, and other Co-operative business.

Circulars accompanying the address were at the same time sent out, requesting those to whom they were enclosed to state whether they would attend the Congress (or, if a society, send a delegate)? whether they would allow their name to be added to the list of supporters of the movement? and whether they (or, if a society, the delegate) intended to read a paper or speak on any of the suggested topics, and if so, which?*

Mr. T. Hughes, M.P., having consented to become the Chairman of the Committee, supported by Mr. Anthony J. Mundella, M.P., as Vice-President, Mr. Walter Morrison, M.P., and Mr. E. O. Greening as Treasurers, and Mr. W. Pare as Honorary Secretary, the Committee ultimately comprised the following gentlemen, exclusively of the office-bearers above-named:—

Right Hon. W. Cowper, M.P.,
R. M. Carter, Esq., M.P.,
W. Allan (Secretary of Amalgamated Engineers),
R. Applegarth (Secretary of Amalgamated Carpenters and Joiners),
M. Arlès-Dufour (Lyons),
W. E. A. Axon, F.R.S.L. (Manchester),
Joseph Baker,
Thomas Beggs,

M. Louis Blanc,
James Borrowman (Glasgow),
Sir John Bowring (Clarendon, Exeter),
Charles Bray (Coventry),
Dr. L. Brentano (Aschaffenburg),
H. C. Briggs (Whitwood Collieries),
F. J. Burgess (Secretary of Associated Carpenters and Joiners),
W. Romaine Callender (Manchester),
Professor C. C. Cabella (Genoa),

Alexander Campbell (Glasgow),
John Carter,
Rev. W. H. Channing,
James Cherry,
Colonel H. Clinton (Royston),
E. T. Craig (Oxford),
J. G. Crawford,
Hugh Doherty (Paris),
Giu. Dolfi (Grand Master of Artizans' Fraternity, Florence),

* It should perhaps be here stated at once that participation in the business of the Congress was intended to be confined to Delegates, and persons specially invited by the Committee, or requested by the Congress itself to do so. Some of the circulars having, however, fallen into the hands of persons for whom they were not intended—whilst a failure in the arrangements led to indiscriminate admissions—it eventually happened that the patience of the Congress was more than once severely tried by the outpourings of volunteers, who only sought to air their own crochets.

Passmore Edwards,
W. S. W. Faber (Editor of *Arbeideren*,
Copenhagen),
John C. Farn (Patricroft),
E. Feuille (Algeria),
J. C. Fox (Manchester),
J. Frearson (Birmingham),
Rev. J. H. Gandy (Rectory, Warwick),
Abraham Greenwood (President of
North of Engld. Wholesale Society),
Daniel Guile (Secretary Amalgamated
Society of Ironfounders),
Edward Owen Greening (Managing
Director of Agricultural and
Horticultural Association),
Rev. S. Hansard (Bethnal Green),
Thomas Hare,
James Haughton, J.P. (Dublin),
Hon. Anberon Herbert,
Dr. Max Hirsch (Member of North
German Parliament, Berlin),
James Hole,
John Holmes (Leeds),
George Jacob Holyoake,
William Howitt (Esher, Surrey),
Professor Huber (Wernigerode),
Dr. F. Hunter (Maryhill, Glasgow),
John Ireland (Manager of Metropolitan
and Home Counties Purchasing
Association),
Professor W. S. Jevons (Owens Col-
lege, Manchester),
Lloyd Jones,
Rev. Charles Kingsley (Cambridge
University),
Axel Krook (President of Working
Men's Association, Gothenburg),

J. B. Langley,
Hon. and Rev. J. W. Leigh (Stone-
leigh, Warwick),
F. Lessner (Solingen),
J. M. Ludlow,
Mrs. E. Lynn Linton,
Rev. A. F. Macdonald, M.A. (Lincoln),
Malcolm Macleod (Manchester),
J. S. Manley,
H. Marriott,
Edward Meads (Manager of Co-op-
erative Cabinetmakers' Society),
Josiah J. Merriman,
George Merrylees (Barrhead),
John Stuart Mill,
J. T. McInnes, Barrhead (Editor of
Scottish Co-operator),
Rev. W. N. Molesworth,
R. B. D. Morier, C.B. (H.M. Chargé
d'Affaires, Darmstadt),
Edward Vansittart Neale,
Walter Newall,
William Newton,
Robert Newton (Managing Director
of Framemakers' and Gilders' As-
sociation),
William Nuttall (Manchester),
George Odger (Secretary of London
Trades' Council),
John Pashley (Managing Director of
Framemakers' and Gilders' As-
sociation),
Rev. C. Kegan Paul (Wimborne),
John Parker (Consett),
Mrs. Pennington (Broom Hall, Dork-
ing),
Ion Perdicaris,

Professor Edward Pfeiffer (Stuttgart),
Lawrence Pitkeithley (Huddersfield),
Henry Pitman, Manchester (Editor of
Co-operator),
John Plummer (Hackney),
Hodgson Pratt (Hon. Sec. Working
Men's Club and Institute Union),
John Ruskin, M.A.,
George Shepton,
Robert Stephens,
W. F. Cowell Stepney,
George Storr (Staleybridge),
Rev. Henry Solly,
Pastor Sonne (Thisted, Denmark),
Rev. S. A. Steinthal (Manchester),
William Stubbs (Secretary of Amal-
gamated Society of Silk Twisters,
Leek),
W. Swindlehurst (Secretary of Artiz-
ans', &c. Dwellings Company),
Dr. Henry Travis,
Arthur Trevelyan, J.P. (Tyneholme,
East Lothian),
Dr. H. Valleroux (Paris),
Professor Francesco Viganò (Milan),
Dr. G. Vogt (Professor in the Univer-
sity of Berne),
R. Bailey Walker (Manchester),
Alfred A. Walton,
Dr. J. Watts (Manchester),
Robert Wigg,
Miss Alice Wilson (Manchester),
F. Wilson (Leamington),
Franz Wirth (Editor of the *Arbei-
geber*, Frankfurt),
Joseph Woodin.

As the opening day of the Congress drew nigh (Mr. Pare wrote in the *Co-operator* for May 29), a deeper interest in it was felt. Among all the letters he received in answer to the circular, *one* solitary correspondent alone was of opinion that an accelerated movement was not required, and that "the long race is with the slow and sure." An excellent Lecture Hall was secured for the purposes of the Exhibition, at 337, Strand, over the offices of the National Temperance League. Among the societies of working men which, without feeling themselves in a position to send a delegate, sent pecuniary contributions, or otherwise gave testimony of their support, were the Burnley Equitable Co-operative and Industrial Society, the Rugby Industrial Co-operative Society, the Richmond Industrial Provident Society, the Wallsend and Chester-le-street Co-operative Societies, the Hand Mule Spinners of Poltar, the Middleton and Tonge, Prestwich, and Great Western and Paddington Co-operative Societies; the Bethnal Green Co-operative Society, which, being but "very small," sent a Post-office order for 5/-, only wishing "it was twenty times the amount;" the Glass Bottle Makers' Trade Protection Society of Yorkshire, the Heckmondwike Society (Flush Mills), the Lincoln Co-operative Society, the Leicester Co-operative Hosiers, the Sheffield section of the Amalgamated Cordwainers, the Consett Society, the Swinton (near Rotherham) Co-operative Society, the Sheffield Improved Industrial and Provident Society, the Old Swan Provident Co-operative Society (near Liverpool),* the Manchester Upholsterers' Association, the London West-end Society of Boot Closers, the Paisley Co-operative Manufacturing Society, the East London Co-operative Society, the Preston Amalgamated Trades Council, the Whitchurch (Dorset) Society, the Macclesfield Equitable Provident Society, the Derby Co-operative Provident Society, the Stafford Industrial Co-operative Society, the Penmaenmawr Co-operative and Industrial Society, the Co-operative Store, Crook (near Darlington), the Glasgow Co-operative Coöperage Company, the Gloucester Co-operative Society, the West Cramlington District Industrial and Provident Society, &c.

Amongst the many communications received from individuals, it will be sufficient to give extracts from three:—

* The Secretary (Mr. Tyson), in remitting a personal donation, sent an interesting history of the struggles of the society against a section of its members, who strove might and main, even to endangering the break-up of the body, to establish a system of credit; adding—"I am sure, had there been some central committee or organisation to appeal to in our difficulties, certain persons would not have ventured to use their private influences to force the credit system on us, and induce so many to withdraw as they did."

Mr. John Stuart Mill, writing from Avignon, regretted that he would not be in England at the time of the Congress, but said—"I am not only willing, but desirous, to give my name as a supporter of the movement, and as fully approving of the Congress. Public discussions among those who take an interest in the movement are very much wanted, both to suggest extensions of the Co-operative principle, and to keep—or sometimes to recall—existing Co-operative societies to the true meaning of the principle: and the list of promoters forwarded with the committee's address, affords great promise that the soundest views of the subject will be well understood and earnestly supported."

Pastor Sonne, of Thisted, Denmark, greatly regretted that his duties as a clergyman would prevent his uniting at the Congress with the many clever and good men who would there be assembled to speak for the advancement of this valuable cause; and could only console himself by the thought of reading the report of its sayings and doings, from which he hoped to reap much useful knowledge. The worthy pastor added—"The last year's bad harvest, and, in consequence, 'bad times,' have thrown the working classes much upon the credit system again, the shopkeepers being always ready to extend it, thereby injuring the Co-operative societies—some of the members of which are now compelled to resort to credit to satisfy their daily wants. But, notwithstanding these and other disadvantages, more than fifty Co-operative societies have been established in our small country during the last two years."

Mr. Commissioner Hill (whose letter was one of the earliest received), after stating that he had no hope of taking part in the deliberations, went on to say—"I am, however, earnestly desiring the spread of Co-operative principles; and should you form a class of corresponding members, I shall be glad to make one of the number. I cannot but regret to see such wide divergence of opinion among zealous, thoughtful, and experienced Co-operators, as I find to exist. I should, I fear, discover serious discrepancy between my own opinions and those entertained by other members, if the state of my health enabled me to take part in your discussions. At an earlier stage of life, it would have been reasonable to suppose that by meeting together members would find themselves approximating in opinion, if not from day to day, at least from year to year. But I have no strength for journeys, and could scarcely join your debates if I could even come among you. As a corresponding member, I could do some little;—although, perhaps, that little would be of small importance. Yet it would be very gratifying to me to be able to show my goodwill."

The following is believed to be a correct list of the Delegates present:—

PLACE.	SOCIETIES REPRESENTED.	NAME.
BACUP	Committee of Conference of the Lancashire and Yorkshire Co-operative Societies...	John Whittaker.
BANBURY	Industrial and Provident Society	John Butcher.
BARRHEAD (N.B.)	Co-operative Society	John McInnes.
BERMONDSEY	South London Co-operative Society	William Edwards.
BIRMINGHAM	Ladywood Co-operative Society	N. Wilkinson.
"	Radical Newspaper Company	Charles C. Cattell.
BRIXTON	Co-operative Industrial Provident Society	William Allan.
DEPTFORD	Co-operative Society	Joseph Jacobs.
"	Perseverance Co-operative Boiler Makers	Charles Rubery.
EIDSSFOSS (Norway)	Eidsfoss Iron Works Co-operative Society	William Pare.
GLASGOW	Scottish Co-operative Wholesale Society	James Borrowman.
GÖPPINGEN (Germany)	Weaving Association	Otto Uber.
HASTINGS	Co-operative Society	E. R. Clarke.
HIGHBRIDGE (Somerset)	Industrial Co-operative Society	Thomas Burns.
HUDDERSFIELD	Artizans', Labourers', and General Dwellings' Company	A. Orrah.
IDLIE (near Leeds)	Co-operative Manufacturing Association	{ William Suttle, { John Place.
KIDDERMINSTER	Power-Loom Carpet Weavers' Mutual Defence and Provident Association	Alfred Penney.
KING'S LYNN	Co-operative Society	John Kenyon.
LEAMINGTON	Co-operative Society	Frederick Wilson.
LEEDS... ..	Do. and Flour Mill	John Holmes.
LONDON	Amalgamated Engineers	William Allan (sec.)
"	Amalgamated Carpenters' and Joiners' Council	Robt. Applegarth (sec.)
"	Artizans', Labourers', and General Dwellings' Company	Robert Austin.
"	London Union of Pressmen	W. H. Blatchley.
"	Co-operative Printers	James Cherry.
"	Deal Cabinet Makers' Society	George Clark.
"	Co-operative Clothiers' Society	M. Davis.
"	London Operative Tailors' Society	George Drewitt (sec.)

PLACE.	SOCIETIES REPRESENTED.	NAME.
LONDON	Lightermen's and Watermen's Society	R. R. Fairburn.
"	Friendly Society of Iron Founders	Daniel Guile.
"	Clerkenwell Working Man's Club	John Gough.
"	Union Society of Gilders	Robert Harrington.
"	St. John's Wood Co-operative Society	T. Harris.
"	Metropolitan and Home Counties Purchasing Association	John Ireland.
"	Co-operative Cabinet Makers' Society	Edward Meads.
"	Mutual Land, Emigration, and Co-operative Colonisation Company	{ Charles Murray, John Radford, John Rogers.
"	Frame Makers' and Gilders' Association	{ Robert Newton, Joseph Pashley.
"	East London (Stepney) Co-operative Society	James O'Shaughnessy.
"	Clerks' Supply Association	John Phillips.
"	Pimlico and Westminster Co-operative Society	George Potter.
"	Artizans', Labourers', and General Dwellings' Company	William Swindlehurst (manager).
"	Amalgamated Painters' Executive Council	Thomas Vize.
"	Co-operative Builders' Society	Alfred A. Walton.
"	Teutonia German Society	J. V. Weber.
LYE (near Stourbridge)	Provident Co-operative and Industrial Society	John Pearson.
MANCHESTER	Greening and Co., Limited (Industrial Partnership)	Edwd. Owen Greening.
"	North of England Co-operative Wholesale Society	Abraham Greenwood.
"	Artizans', Labourers', and General Dwellings' Company	Malcolm Macleod.
MANSFIELD	Co-operative Industrial Society	John Watt.
OLDHAM	Industrial Co-operative Society	William Nuttall.
RICHMOND (Surrey)	Industrial and Provident Society	J. Croucher.
ROCHDALE	Equitable Pioneers	John J. W. Mitchell.
"	Industrial Card Manufacturing Society	{ Samuel Midgley, George Webster.
SOLINGEN (Germany)	Co-operative Steel and Iron Works Society	Frederick Lessner.
STONELEIGH (Warwicks.)	Co-operative Industrial Society	Hon. & Rev. J. W. Leigh.
STRANRAER (N.B.)	Ardwell Co-operative Society	Mark Stewart.
STRATFORD (Essex)	Co-operative Society	William Hurry.
WHITWOOD (nr. Normtn.)	H. C. Briggs, Son, and Co., Limited, Collieries (Industrial Partnership)	Archibald Briggs.

(Some statistical details respecting a portion of the above-named Societies, from their latest forwarded Reports, will be found in Appendix I.)

Among the visitors who from time to time attended the sittings of the Congress, besides members of the Committee, may be named—the Comte de Paris, Mr. Thomas Hare, M. Auguste Laugel, Mr. G. Ripley, (*New York Tribune*), Mr. Samuel Osgood, (New York), E. Costvener (Antwerp), Mr. Warren T. Worden (Auburn, New York), Mr. Henry Crompton, Hon. E. Lyulph Stanley, Rev. G. W. M'Cree, Mrs. Jacob Bright, Mr. Henry Fawcett, M.P., Rev. Thomas Rooke, Mr. Lucraft, Mr. Alexander M'Donald (President of the Miners' National Association), Mr. George Normansell, Mr. P. L. Simmonds, Mr. H. E. Stansfeld (Kendal), Mr. W. R. Wood (Brighton), Mr. Alsager H. Hill, Mr. P. H. Holland, Mr. T. D. Galpin, Mr. George Howell, Mr. C. Lamport, Mr. John Howell, Mr. Arthur Russell, M.P., Mr. W. Clode, Mr. F. Crowe (H.B.M.'s Consul-General, Christiania, Norway), Rev. G. M. Murphy, Mr. T. Connolly, Mr. B. H. Paul, Mr. W. T. Thornton, Mr. Edward Hall, Mr. W. A. Butler (Detroit, U.S.), Sir Louis Mallet, Mr. C. E. Maurice, Sir John Bowring, Mr. H. W. Freeland, Mr. John Plummer, Mr. Somerset Beaumont, M.P., Colonel F. C. Maude, Mr. W. Shaen, the Earl of Lichfield, &c.

First Day, Monday, May 31.

The Congress was opened in the theatre of the Society of Arts, John-street, Adelphi, London, on Monday morning, May 31, at eleven o'clock. There was a numerous attendance of Delegates and friends of Co-operation. Amongst the latter were observed the Comte de Paris and M. Auguste Laugel.

The President, Thos. Hughes, Esq., M.P., commenced the proceedings by reading the following

Address.

When I undertook, at the request of the promoters of this Congress, to preside and deliver an Opening Address at the present meeting, almost the first thing which I felt bound to do, was—to refresh my memory as to former gatherings of the kind, that I might give you some trustworthy evidence as to the progress of the Co-operative movement. The retrospect which I accordingly made, was in some respects discouraging. I find that the last Co-operative Conference in London was held so long back as the 27th of July, 1852, in the hall belonging to the Working Tailors' Association of that day.* That association is broken up, and the hall has passed into other hands; and on going through the list of working associations (as distinguished from Co-operative stores) which were represented at that meeting—15 in number—I find only one which has survived to the present time,—the Hatters' Association of Manchester.

That Conference was called for the special purpose of considering how the Industrial and Provident Societies Act—which had just been passed—could be best turned to profitable account for the advancement of Co-operation. That Act of 1852 has proved (I may say) the Magna Charta of the movement; and under it—or those which have from time to time replaced it on the Statute Book—have been registered a number of the most successful associations and societies which have been founded in our day. The last return, for the year 1867 (by no means, I have reason to

think, a full or correct one; and which, of course, omits all societies registered as joint-stock companies) gives 577 societies, numbering 171,807 members, and doing a business of £6,001,153 at an average cost of little more than 5 per cent. on the turnover. At the date of the last London Conference, of course there was no society with a legal existence, as there had been no time for registration—the Act having only been passed for a few weeks; and it is not easy to give more than an approximate estimate of the total number of societies then existing in England. But from the reports sent in to that Conference, and other sources, I reckon that there could not have been more than 170 established societies—most of them in their infancy—and numbering, perhaps, at most, 30,000 members. In the face of these figures—of this enormous increase and development—I may reasonably be asked why the reference to these old reports is in any respect discouraging? In this respect discouraging, I answer—that in spite of the extraordinary success, in a commercial point of view, of the greater number of the Co-operative stores, and the consequent enormous increase of the number of persons directly interested in Co-operation, in all other respects we, at that Conference in 1852, were just as far advanced as we are to-day. We were considering precisely the same questions—the best means of bringing the various scattered societies and associations into closer union, the establishment of a Co-operative Bank, of a general Co-operative Friendly Society, of Wholesale Central Depôts, of Co-operative Education, and the starting of a Co-operative Newspaper. Most of these are on our programme to-day; and, with the exception of the wholesale depôt, nothing has been done with respect to them since 1852. In one respect, indeed, there has been an apparent backsliding; for at that time there were certainly [in London] a far greater number of productive associations—in proportion to the whole number of societies—than there are now. Admitting, as I do at once, that the successful establishment of the Wholesale Purchasing Association in Manchester has been a remarkable step in advance in one direction, and leaving aside for a moment the Industrial Partnership system—in my judgment, the most important development of Co-operation we have yet seen in England—I say, again, that we are much where we were in 1852.

* See "The First Report of the Society for Promoting Working Men's Associations; to which is added a Report of the Co-operative Conference held in London, at the Society's Hall, 34, Castle-street East, on the 26th and 27th of July, 1852." London: Edwd. Lumley. 1852.

What has been the cause of this? It seems to me, my friends, not far to seek. In the past 17 years, we have not been living up to the principles with which we started. In 1850 and 1851, any one who will take the trouble to refer to the records of those years, will find that every society which started, put the horse before the cart (if I may use a homely proverb); while from 1852, they have for the most part been putting the cart before the horse. I mean, that in those days they recognised, as their main object, the making men of their members—training them to feel their relationship to each other, the worth of fellowship in work, the duty of aiding and training their weaker brethren; and regarded the making of profits, the production of wealth, as a means only to this end: while, since that time, they have, to a great extent, given in to the prevailing heresy of our day, and have treated the making of profits and the production of wealth as the end, and not the means. In proof of this, I will only refer to the latest development of Co-operation, and the one most familiar to Londoners—the establishment of the Civil Service Co-operative Store, and other similar bodies, in this city. Amongst these, so far as I know, the full benefit of membership is obtained by the simple purchase of a half-crown ticket, which gives the holder a right to buy his goods at certain shops at a cheaper rate than he could get them elsewhere, but the possession of which binds him to nothing whatever. I do not, of course, mean to deny that such stores may be of great use to those who belong to them; but they can lead to nothing except the cheapening of certain articles to privileged consumers, and are therefore essentially different from the associations of an earlier date.

But whether I am right or not as to the reason, the fact remains; as I am sure will be admitted by the representatives from Rochdale, Halifax, Manchester, and all the most successful centres of Co-operation. They have all been working with a single eye to the establishment of flourishing business concerns, in which the producer and consumer shall be brought together. They have done this work in a most effective manner, with a success—economically speaking—without a parallel in this country or elsewhere; as every one familiar with their ordinary balance sheets, and with their last achievement, will allow. I refer to the North of England Co-operative Wholesale Society, represented here by my friend Mr. Greenwood—one of the oldest and best Co-operators in the kingdom. Upwards of 200 stores have combined together as shareholders in this society; and have thus established a machinery for purchasing wholesale, in the very best markets, the goods required for the ordinary consumption of the members of these 200 stores, or some 80,000 families. The career of this Wholesale Society has been

well summed up in a recent notice of their Whitsuntide meeting, by a writer in the *Spectator*:—"In five years, the society has reached a business of half-a-million a-year; has built for itself, on its own land, at a cost of £9,000, the warehouse in which that gathering took place; has two branches in Ireland; and has done all this at a cost, including interest on capital, of 1½ per cent." I confess that to me—watching the progress of Co-operation narrowly now for many years—this Whitsuntide meeting in Manchester would seem to have brought the first stage of the Co-operative movement in England to a successful close. We hear from all those who were present the same story—that the representatives there collected, so far from being satisfied with what had been achieved, were earnest in declaring that that success must only be regarded as an encouragement for further effort. The direction which that effort shall take, is the question for every one who has put his hand to this work; and the consideration of it is the main object, as I understand it, of our meeting here to-day.

And if, as I have already said, there is a discouraging side to our retrospect of the past; if many sides of the Co-operative movement have been neglected or allowed to languish during the last 15 years; we have, at any rate, this consolation—that the practical leaders appear to be now thoroughly aware of the fact, and are the first to declare their readiness to break new ground; their consciousness of the truth that they are at the beginning—not at the end; and that what remains to be done, is likely to test their energy and their principles far more severely than the work which lies behind them.

The present Congress has, then, to consider how to make the most of the present position: and on the threshold of this inquiry we are met by this curious fact—the successful societies throughout the North have been for some time embarrassed by too much capital. Their members have been in the habit of leaving a large part of their profits in the society to accumulate at interest. The rate of interest has generally been fixed in the registered rules at 5 per cent., at which rate the management is bound to find investment for all surplus moneys in its hands beyond the amount required to transact its ordinary business. This, as might have been expected, has been found to be practically impossible. Hence it has come to this—that such societies as the Rochdale Pioneers and the Halifax store, have been paying off non-consuming shareholders, and refusing to retain the accumulations which consuming shareholders have desired to leave in their hands, to the amount of many thousand pounds.

Now, it seems to me that the first thing which these societies will have to do, will be to re-consider this policy, and to reverse it. They are once again stirred by the same ideas

which worked so powerfully in 1849 and 1850. They have the same distinct perception of the end of all their work—the raising their whole class morally, intellectually, and physically; and making such a life possible for our hand workers as England may be proud of. They are satisfied, by experience, that no success in the machinery for the purchase and distribution of necessaries, can do this. They must strike out into new fields of enterprise; and for this will require all the capital they can command. How, then, can they any longer justify the throwing back of the accumulations of associates on their hands? But how are we to use these spare funds for the good of the cause, and at the same time to make 5 per cent. (our guaranteed rate of interest to our associates) upon it?—the executive of the societies have a right to ask. Well, to take the last clause of the question first, I say—You are not bound by Act of Parliament to any particular rate; and if you can't make 5 for your associates, you must persuade them to take 4, or 3. But I say, further—that there will be no difficulty in finding good investments for all the spare capital at your command, and at the same time in turning the great movement of which you have been the cautious pioneers, into new and more important channels.

I should be the last man to encourage the accumulating societies to engage in anything like speculative trading. I know too well how precious their savings are—what a wealth of noble thrift and self-sacrifice they represent. I would not even urge them to undertake production themselves, except very cautiously. But I would direct their attention at once to the position of the associations for production throughout the country, which have been struggling into life painfully, and with many drawbacks, during the last few years. I am happy to see representatives of these associations here to-day; and I hope we shall hear from them many interesting details of their work. I will only allude to one or two which I have been able to watch, and which, to my certain knowledge, have earned and deserve all the help we can give them. The Frame Makers and Gilders' Association in Red Lion-square has been established for ten years, and is a model of what a working men's association should be. It has had an uphill fight against hard times, want of credit, insufficient capital. It is still hampered, and to a great extent dependent on its bankers, paying extravagantly for any accommodation it needs in the course of business. The same may be said of the Perseverance Boiler Makers of Deptford, who have also overcome the great difficulties of starting in business, and whose work has given entire satisfaction to all those who have employed them. Again: the Cabinet Makers' Association of East London is paying 10 per cent. to its timber merchant for discounting its bills. Such associations as these can give

security for any sums they may require to borrow; and unless our boasted principles are a sham, have claims upon us all for such help as will enable them in the future to obtain the advantages which the command of ready money gives in trade. A few hundreds more capital would enable each of these associations to make better bargains with customers, and to hold the commercial bills paid to them for work until maturity. There is no longer any legal difficulty in the way of giving such help. Under the provisions of the Industrial and Provident Societies Amendment Act of 1867, which I had the pleasure of passing through the House of Commons—and which Lord de Grey (an old friend to Co-operation) took charge of in the House of Lords—every registered society has power to hold any amount of interest in its own name in any other registered society. Already some of the most prosperous of the northern societies have taken advantage of the Act. Our Halifax friends have been wise enough, and lucky enough, to secure shares to the amount of £10,000, I believe, in the Industrial Partnership of Henry Briggs and Sons, Limited. I hope that one of the first results of this Congress will be—that many investing and borrowing societies will be now at last brought together, to their mutual advantage.

But if this is to be done satisfactorily, it cannot be left to the individual societies. We must have a proper organisation for the work—must establish some machinery analogous to the Wholesale Society—(a sister society to which, or a well-organised branch of the existing one, is sorely needed in London, to unite together the Co-operative stores of the South)—to do the work for production which it has done for distribution. Every one must see at once that something in the nature of a Bank will be required for this purpose. Well, the name of a bank—especially of a labour bank—is, I know well, an alarming one for us Co-operators in England. It has been tried more than once—by Mr. Owen, 40 years ago; and by Mr. Vansittart Neale, in 1850 and the following years. Some of us have burnt our fingers in such attempts. It is tender ground, I admit; but we shall have to go over much tender ground before we have done; and the last attempt, we must all remember, has resulted, not in a failure, but in a success equal, in its way, to that of our store movement in the North. I allude to M. Schulze's Labour Banks in Northern Germany—the work of a single scientific politician and thinker. By means of these banks—which have branches in almost every large village—every Prussian handicraftsman of good character can command sufficient credit, or capital, to start him in his own business. Precisely the same machinery will not do for us, because our industry is in another phase. Fifty years ago, the greater part of our production was the work of small masters, or

journeymen, who worked with their own hands—answering, I should think, to the “hand workers” in Prussia at this day. Now, nine-tenths of it is the work of large firms, or joint-stock companies, who employ our mechanics and artisans in large groups, at fixed wages. In short, almost the whole of our working class is in the position of factory operatives, to whom M. Schulze’s plan avowedly does not apply. But unless I am much deceived, we shall be able, by slight modifications, to adapt the Prussian system to our own needs—substituting societies for individuals. At any rate, we are all bound to do our best to understand it; and, fortunately for the Congress, the Englishman most competent to instruct us on this subject is at home, and has kindly promised to read a paper on M. Schulze’s banks. Those of us who have read Mr. Morier’s report on these banks to our Government, will be able to appreciate this advantage.

I will assume, then, that the establishment and support of Associations for Production, to be effected by some system involving the transaction of a portion of the ordinary business of bankers, will be the next great work to which Co-operators in England must turn their attention. It is a work which will require the greatest caution and watchfulness. Hitherto our associations for production have, as a rule, not been successful. Those who have had the pleasure of visiting the workshops of the Paris associations (where the associates have overcome not only all the internal difficulties which meet us here, but the dead weight of a hostile code, and the tyrannical interference of a jealous Government), must have sorrowfully contrasted the enthusiasm with which the French artisan seizes on and holds to an idea, his readiness to make almost any sacrifice for it, with much that we have seen here in the working associations which have failed. The regrets and humiliation which many of us have felt over these failures, have, however, been tempered (at least in my own case) by the reflection that the rapid and decided success of associations for production in England, might have made the establishment of such Partnerships of Industry as Messrs. Briggs’ Methley Collieries impossible. I believe that no greater misfortune could have happened to our country than this. The war between Capital and Labour is bitter enough already in our own industrial world. Unlimited competition, the belief that letting things alone will be sure to bring them right, and that the common good will be best attained by each man following his own selfish instincts, have produced anarchy, distrust, hatred. The early associates came directly out of this anarchy, and were full of this distrust and hatred. Had they succeeded thoroughly, and at once, the war would only have become more bitter. The associations

would have admitted none but hand workers; and the employers, seeing plainly that there was no place for them in the new system, would have fought as men fighting for their lives. This danger is past. The employer has at last found his place in the association for production. Four years ago, Mr. Henry Briggs—first of all the large employers of labour in England—took the leap in the dark, as it was supposed to be at the time; the leap into the light, as it has since proved; and resolved, and persuaded his partners to agree to take their men into partnership. The success which has attended that step is now matter of history, and is probably as well known to every man in this room as to myself. It has more than verified all the most sanguine hopes of those (for many years looked upon as Utopian theorists) who urged on employers that they would be the greatest gainers by entering into association with their men. Mr. Briggs is here, and will be able to tell us how peace reigns now in collieries which used to be worked under the protection of the police; how confidence, thrift, sobriety, have taken the place of distrust, wastefulness, and drunkenness. We have already proof that he and his brother have faith, for other businesses than their own, in the system with which their names are so honourably connected, in the outlines of a scheme for the “Application of the Industrial Partnership principle to any class of undertaking wherein Capital and Labour are associated,” which they have lately circulated. Every Co-operator must wish them God-speed in their proselytising efforts; for they have solved the problem of uniting the interests not only of Capital and Labour, but of the present generation of employers and workmen. How sharply defined and widely severed these two classes are in our time—how dangerous their antagonism has become to the commonwealth, is unfortunately too well known to us all. It may well be that we have seen the worst of it, and that Councils of Conciliation and Industrial Partnerships will put an end to the civil war which, since the amalgamation of the great trades societies, has every now and then paralysed great branches of our productive industry, by some strike or lock-out affecting whole districts.

There is one objection to Partnerships of Industry which has been repeatedly urged, and on which, perhaps, it may be well to say a few words, even in such a mere outline as is possible in an opening address on so great a subject. In good times, it is said, there will be no difficulty: the workpeople, whether shareholders or not, will take readily enough whatever increase of wages you like to give them at any intervals you may fix, and whether you call it bonus or anything else. But bad times must come. Then they neither will nor can bear any share in the losses of trade, and the whole will have to be thrown on the capitalist partners. These will naturally demur to such

a one-sided arrangement, and the whole concern will go to pieces.

This objection is a plausible, but I think not a serious one. It rests mainly on the assumption that the workpeople will not feel the same interest in the business as the master does at present. But it has been the practice hitherto—and will obviously be so in future—to give every encouragement to the workpeople to become shareholders. As soon as they become shareholders, they stand in precisely the same position as other capitalists, and will, of course, share high profits in good years, and be liable to lose their dividends in bad ones. With these liabilities, the feeling of ownership will come fast enough. But if mere loss of dividends is not all—if a business not only makes no profits whatever, but does not earn enough to pay working expenses, the salaries of managers, clerks, and foremen, and the wages of the workpeople—how then? Will the workpeople—shareholders or non-shareholders—consent to a reduction in wages to meet such a state of things? I am sanguine enough to believe that they will. At present, we have dozens of strikes every year. In each of these, the men fall back on their unions, and accept forced idleness, and an allowance of a few shillings a-week, on which they manage to live for weeks—often for months together. The highest class of unions, I would remind you, do not allow their members more than half their ordinary wages, and that only for a few weeks, after which there is a still further reduction. If an Industrial Partnership can once make its workpeople feel the same confidence in it which they now feel in their unions; if once they recognise it as in any sense their own business—they will be ready enough to make the same sacrifices for it. But will such sacrifices ever be asked from them? I cannot believe it. No ordinary business is, I apprehend, carried on for months together at a loss not only of all profits, but of half the actual cost of production. On the average, we may assume that profits are made: unless, therefore, an Industrial Partnership starts in very bad times, a reserve fund may be set apart to equalise salaries and wages, and provide the fixed minimum interest on capital. Messrs. Briggs have already set apart more than £7,000 out of the profits for this purpose, with the cordial approval of their shareholders and workpeople. It must be borne in mind also that every working shareholder will be a strenuous advocate with his comrades for any temporary reduction in wages which may be required. I may add, that so far as we have as yet any experience upon the subject, it is entirely in accordance with this view.

The extraordinary commercial success of Messrs. Briggs' collieries has not been shared by other Industrial Partnerships. All branches of the iron trade have suffered severely during the last three years, and the industrial

partnership of Messrs. Greening has not escaped. But I find, from the last report of that firm, that although they have been compelled to work short time for many months together, there has been no abatement of confidence, or complaint on the part of the workpeople, and they have not lost a single working shareholder.

Any one who is desirous of following up this inquiry, may do so profitably by applying to the managers of the 'Plate Locksmiths,' the 'Perseverance Boiler Makers,' or the 'Frame-makers' and 'Gilders' associations. They will then be able to estimate the sacrifices workmen are ready to make, the privations they will undergo, when the idea of association has once fairly laid hold of them. The history of many of the Parisian associations is far more remarkable than even the best of ours; but there is more than enough here to show that the vanguard of our artisans are well on the road to a nobler and higher form of industrial life than has yet been seen in England. While on this subject, there is one mistake—of which I have had occasion to speak more than once in past years—that, I think, still threatens the prosperity of our associations, and which, I am happy to believe, the establishment of Industrial Partnerships will be likely to cure—I mean, the inadequate payment which is for the most part made for the highest and most responsible part of the work. It was well that men could be found in the early days of the movement to give labour and brain-work which would have made their own fortunes, for the good of the cause. This has been the case outside the associations, as well as within. There are those in my own profession (generally supposed to be the keenest of all in the matter of cash payments) who have to my knowledge given time and work worth many hundreds of pounds, in advising and directing this movement. There is no reason why this should be the case any longer. The workman is worthy of his hire; and "a fair day's wage for a fair day's work" has always been one of the watchwords of our working class, as long as I have known them. I rejoice, therefore, to see that the Industrial Partnerships are paying for management, buying, book-keeping, the higher branches of industrial work, at the same rate as the like services would command in ordinary firms; and I hope to see Co-operative stores and associations following so excellent an example. It is the just thing to do; and our societies have no ground to stand upon but this—of justice to every man.

Meantime, however, the great fact remains—of trades societies numbering in their ranks the actual majority (to put it at the lowest figure) of the skilled workmen of the United Kingdom: and all Co-operators have to consider how far these organisations can be used in forwarding the great cause expressed in our grand motto of "self-help by fellowship

in work." At first sight, it would seem that trades societies should be the most efficient helpers in the work. We all know that the leading trades unionists have for years been favourable to Co-operation. The chief secretaries of three of the most powerful unions are members of the committee of this Congress. The unions have at their command all the requisites for founding associations—capital, a choice of the best workmen, and means of keeping them to their agreements by the pressure of the public opinion of their own trades. As early as 1851, I myself, in concert with Mr. Ludlow, and other members of the Society for Promoting Working Men's Associations, urged on the Council of the Amalgamated Engineers the policy of establishing associations of their own to employ their surplus hands. The subject has been before them ever since; and there has been no want of inclination on the part of the governing bodies to try the experiment, if only they could see their way to it. This, however, they have never yet been able to do; and I am not prepared to say that they have not been in the right in declining the enterprise. Their organisation is essentially that of the standing army of labour; and the energies of their best men must be given to other matters than peaceful production. I know that the Trades Congress which met in Manchester in June of last year, passed a resolution "to utilise the organisation of the Trades Unions for Co-operative purposes;" and that many friends whose judgment is worth far more than mine upon this question, have come to the conclusion that the time has arrived when this may be accomplished. If it be so, no one will be more rejoiced than I; but I must own I do not myself see how the difficulties which have hitherto stood in the way, are to be overcome. The consideration of those difficulties will form an important part of the work of this Congress; and we have men here who are, perhaps, the most competent in the kingdom to advise us upon them. Meantime, whether the unions can take a direct part in our work, by the formation of associations for production in their respective trades, or not, it is obvious that they may, and ought to be, amongst the most efficient promoters of Labour Banks. They may become at once the largest depositors by entrusting their surplus funds to these institutions; and may assist, by the machinery of their admirably organised branches, in carrying such institutions at once into every town of the United Kingdom.

One more topic occurs to me, upon which I think a few words should be said—I mean the Land question. I remember, in our meetings 20 years ago, we never could separate without some cheery kind of speculation about home colonies, which many of us (I amongst the number) used firmly to believe were just going to blossom up throughout the country, as great homes of peace and industry for all, however weak and poor, who would cast in

their lot with us, and do their best for the common weal. Some here will recollect how we used to be invited periodically to old Mr. Minter Morgan's house, to look at his model Church of England Self-supporting Village, which occupied the end of his dining room in Stratton-street. Well, it was nothing but a great picture which used to be illuminated from behind; and then the old gentleman used to stand as showman, and point out to us the great central hall and church in the middle of the square, and the great common kitchens, and laundries, and gardens, and I know not what other charming arrangements,—all of which he spoke of as if they were actually going, and could tell you the exact sum for which each family lived, and the exact savings of the whole community. Old Mr. Morgan has been dead these 15 years, and the model village transparency has, no doubt, long since been rolled up, and found its way to some old marine stores shop. We, too, have all got older, and (let us hope) wiser; and can sympathise with the great Yankee poet, when he writes—

Not as I'm one as much expect'
Millennium by express to-morrow;
They will miscary; I recollect'
Too many on 'em—to my sorrow.

At the same time, we Co-operators have seen so much come to pass which was then only dreamt about, and have (I hope) so thoroughly realised the power of wisely directed and loyal fellowship in work to do anything that it sets its hand to, that we can never consent to give up the hope of seeing English associations settling in clusters on English soil of their own. I am glad to find, therefore, that our friend Mr. Greenwood, and others of the leading Co-operators from the north, are turning their attention in this direction. No doubt the state of the law at present stands in the way of any such investment of surplus funds on a large scale by the societies, although the Industrial Societies Acts give a special power of buying and holding land. At the same time I am inclined to think that, by a little adaptation, the machinery of an ordinary building society might be made even now to work out many of the purposes for which land is desired. The Congress will do well to consider this question carefully, with a view to ascertaining—1st, precisely what they want; 2ndly, how far they can get it under the law as it stands; and 3rdly, what alterations in the law will be necessary. I do not think there will be much difficulty in getting such alterations made by the present Parliament; and probably every successive House of Commons will be even more ready than the present to give facilities for the settlement on English soil of the most industrious and thrifty of our people; thus taking a material guarantee that the old home of the race shall not be robbed by hasty and ill-planned emigration in the

coming years, of the bone and muscle of which she never was in more need than now. I am very superficially acquainted with the system of land registration in Northern Germany ; but if it be true that a single entry in a register, costing only a few shillings, and made on a single attendance of seller and buyer, mortgagor and mortgagee, passes the ownership of land finally and satisfactorily in that country, the sooner we learn the particulars, and set about imitating them, the better. On this most interesting subject, also, I trust we may hear something from Mr. Morier.

One word, in conclusion, as to the meaning of this Congress, and the great revolution in the industrial world of England which it represents. Some of you will remember a letter of the present Chancellor of the Exchequer, in answer to an invitation to a similar meeting to this, which we held in Manchester three years ago. I have not the exact words to refer to, but the gist of Mr. Lowe's reply was—that he could not see that any principle was involved in what was called the Co-operative movement. Industrial Partnerships and Working Men's Associations were just like other trading companies ; must conform just as they do to the established laws of political economy ; and would stand or fall just in proportion as they obeyed or transgressed these. In one sense, of course, this is perfectly true. No Co-operator who has made the ground safe under his feet will care to question the general proposition ; or if there be any, I am not one of them. At the same time, there is a popular sense in which such words may be taken—against which we always have protested and always shall protest—and it is of the utmost importance that we should be quite clear upon this point.

In order to reach this needful clearness, we have only to ask a question or two of those who hold, with Mr. Lowe, that there is no real difference between Co-operative associations and ordinary trading companies.

What, then, are the root ideas upon which ordinary trading companies are founded in our day ? If (as we have always understood) those ideas are unlimited competition and rivalry, then we are at direct issue—for ours are association and fellowship. Is the end that sought by ordinary trading, for the highest attainable profits on capital ? and as a means to this end, the cheapest possible methods of production ? If so, we are again at issue—for our ends are "fair exchange," and "living wages." In a word—Does the ordinary industrial system of our time look to the production of material wealth as the ultimate end of trade ? If it does, we can have no peace and make no terms with it, for we look first to the making of citizens and training them as sons and brothers and fathers ; and if this cannot be done in the workshop and the factory, it can be done nowhere. We are quite alive to the importance

—nay, to the necessity—of making profits, and increasing material wealth, without which, of course, no trade can go on at all. But we are convinced that this branch of the business will take care of itself in the long-run, if we take care of the other ; and that it is only by acting up to our principles that the higher end can be attained.

It is by the steadfast holding fast of these principles, my friends, that this battle is to be fought. So far as any victory has been won in the past 20 years, it is due to the faithful carrying out of these principles : our failures have sprung from disobedience to them. A great work has to be done in England, and sore is the need that it be done quickly, at the peril of ourselves and our children. The labour question has to be solved—not in theory and talk, but in fact, and in practical everyday working life. The mass of misery and pauperism which has been growing side by side with our marvellous wealth and accumulations of 150 millions yearly—before which Parliament is now standing aghast as before a giant with whom it knows it must grapple, but is afraid to touch—must be mastered, or it will soon master us. And Parliament, under its present leaders, will take heart and do its duty—of that I have no fear ; and much may be done by wise legislation, and more by wise and (above all) by firm government. But all that law-makers and administrators can do will profit little unless our people are lifting themselves out of this slough of despond—this helpless, aimless confusion in which we are living and blindly working—on to firm and safe ground. The pleasant doctrine of letting things alone will never do this ;—has failed egregiously, as any man with half an eye may see for himself. The maxim of "every man for himself" will never do it, as the great class whom you, my friends—the delegates here to-day—represent, have perceived clearly enough, and so have organised your Co-operative societies, and working associations, and trades unions. It remains to be seen whether "self-help through fellowship in work" will not solve the great problem ; and in any case, this is the faith to which we are all pledged, and which we mean, I trust, with God's help, to act up to, let it carry us where it will. I myself have no fear of the result ; for, after all, we are only endeavouring, in a humble practical way, to apply in common life, in buying and selling, producing and consuming, the old truths which have commanded the lip service, at any rate, of all Christendom for nearly 2,000 years—that man's life stands not in the things which he can eat and drink, and see and handle ; that we can only live faithfully and truly in this 19th century, or any other, by doing as we would be done by, and remembering that we are all children of one family, in which if one member suffers, all suffer ; if one member rejoices, all must rejoice.

Mr. Hughes said he could not sit down without referring to an event of which they had recently heard, and which he was sure those who were familiar with the details of the Co-operative movement would feel as deeply as he did himself. He alluded to the death of their friend James Smithies, of Rochdale, who was one of the original promoters of the Rochdale Equitable Pioneers. He had enjoyed a friendship with Mr. Smithies for 20 years, and knew how faithfully he had stood by the principles of which he (Mr. Hughes) had spoken in his address. He believed that the Congress would, before separating, express its sympathy with those who were left behind, and its admiration for the labours of their departed friend.

The reading of the Chairman's Address was followed by that of various reports or letters on the progress of Co-operation in foreign countries.* They are inserted here in the alphabetical order of the countries to which they relate.

I.—DENMARK.

Paper by W. L. W. FABER, Secretary to Arbeideren Newspaper.

Copenhagen, May 19.

Dear Sir,—Denmark is a small country, and its territory has been further diminished by the late events in the war with Germany; but the spirit of the people has not been put down, and enterprise has not been diminished.

Great commercial and industrial undertakings have been taken up during the last few years, and the latest among these is the formation of the Great Northern Telegraph Company, which will unite all the great northern lines, so that the world may see that although brutal power has diminished the size of the country, still the vigour of the people is undiminished.

But it is not only the rich and middle classes that are bestirring themselves. The working classes have to take their share of the public burdens, and great efforts have been made to make all work together. The working people in Denmark are living under rather better circumstances than in most other countries; but still, great improvements remain to be made for their material and intellectual welfare. A great deal has been done in this respect during the past year.

In 1865, the Minister of Finance, *Conseiller d'Etat* L. N. David, who has always shown his sympathy for the wants of the great mass of the people, offered to pay a premium of some hundred dollars to the author who could produce the best popular essay on the use and importance of unions for assistance in case of sickness and death. Some essays which were published have been distributed in great numbers, and contributed much to the establishment of several associations based on self-help, such as savings banks, societies for mutual assistance, building societies, and Co-operative societies of different kinds.

* All communications received from abroad are inserted in this place, although one or two were, in fact, only read on subsequent days, or were taken as read. Some of our foreign friends must excuse occasional curtailment of their papers, and a somewhat free translation of portions of them.

In mentioning the number of these societies, it must be remembered that Denmark is no great country, and that the whole movement is only just beginning, with small means; but that we are making good progress in societies for cases of sickness and death. Several have been established for a number of years, and there now exist 300, with about 25,000 members, and a capital of £13,000. The other Co-operative societies are still in their infancy.

Of societies for mutual assistance with credit, after the principle introduced by Schulze-Delitzsch, four are in existence. The first of these owes its existence to L. Bierfreund, manager of a bank in Odense. Of building societies, we have got five in Copenhagen, the capital of the country, where there is a great want of healthy houses for the working men.

One of these societies, chiefly established by Dr. Med. F. F. Ulrik, is working in a manner that makes the members owners of houses. Dr. Ulrik, who is the author of several essays on Co-operative matters, has shown great energy in his work; and the society has now 500 members, who contribute each 7d. weekly. During the last two years, the society has built 22 houses, inhabited by 44 families.

Co-operative societies, established after the principle of the Pioneers' society in Rochdale, have found great favour with the population, and would exist in still greater numbers if the legislation did not put some obstacles in their way. The obstacles will, however, be removed, as the government has shown itself ready to render its assistance in this respect. The number of these societies is from 40 to 50. The chief society is in Thisted, established by the energy of Pastor Sonne; but the first society was formed in Norresundby, by a manufacturer of the name of F. Galster. Most of the existing societies have copied their laws from that of Thisted, which will be known to the readers of the *Co-operator*, as it has been mentioned in this valuable paper. To assist the whole movement, which is characterised by the word "Self-help," an association in Copenhagen has been formed for editing the newspaper *Arbeideren*. This association was well aware that it would find great opposition; but they took courage from the example given by Holyoake, Pitman, William Cooper, &c. These gentlemen have paved the way for us here in Denmark. We have only to follow their example.

Statistical material cannot yet be given, as the movement has only just begun; but in the course of some years we hope to be able to show statistically how a small people, by its own exertions, is enabled to reach welfare through poverty and misfortune, and take its honoured place among the nations; and this it owes to self-help.*

II.—FRANCE.

(1) *Letter from M. ARLES DUFOUR, Lyons.*

Oullins Montroses (Rhône), nr. Lyons,
May 22, 1869.

Dear Sir,—In answer to your favoured letter of April 23, I am sorry to be unable to accept your kind invitation for the meeting of the Co-operative Congress; but I gladly allow you to make use of my name for the best of causes, which object I have pursued for many, many years.

My present experience of Co-operation in France, is—that associations for production have seldom been successful; while, on the contrary,

* See also, at p. 378 of the *Co-operator* for 1869 (June 5), a valuable paper on "Co-operation in Denmark and Sweden."

those for consumption have generally succeeded. In my opinion, the principal causes of many failures in both branches, occur in France from want of information among all classes—but particularly the working classes; and also from want of political, municipal, and religious freedom.

Enlightenment and freedom are wanted to prepare all classes of our society for the great but pacific industrial (or, better) social change, which is coming on rapidly by the principle of Co-operation and participation.—Believe me, dear sir, yours very truly,

Arles Dufour.

Mr. Will: Pare.

(2) *Paper by P. HUBERT VALLEROUX,*

Advocate, Member of the Consulting Committee of Co-operative Societies, Paris.*

The movement which we now call the Co-operative one (and which we used to call the association movement before the former term was imported some years ago from England), shows itself in France under three forms—productive societies (the former “*associations ouvrières*”), societies for consumption, and finally, mutual credit societies, or people's banks. One word on each of these.

1. *Productive Societies.*—This is the most desirable, but the most difficult, form of Co-operation: hence the number of such societies (which it is very difficult to fix with precision) scarcely exceeds from 100 to 120, almost all in Paris or in great towns—such as Lyons, Marseilles, Bordeaux. Among these, one dates back from 1834: it is the oldest. Some were founded in 1848 or 1849. The greater number are later than 1863; since which period the movement has been stimulated by the re-awakening of public spirit, and seconded by a people's bank—that of the “*Credit au Travail*”—which used to make advances to associations, to discount their paper; but, above all, served as a centre, a rallying point, a source of counsel. The failure of this bank in December last, was a serious blow to the social cause. Many persons had come to personify in it Co-operation itself; and the result has consequently been very bad, both as to indifferent outsiders—who have seen in it but a demonstration of the impotency of the Co-operative idea; and as to the societies themselves—many of which were either creditors or debtors to the bank. Since then, no association has been founded in Paris. Fortunately, the blow has not been much felt in the rest of France.

Our societies vary greatly in their composition, and as respects their capital. Some have only 7 or 8 members, others exceed 200. The Spectacle Makers' society, for instance, has a capital of 600,000 francs (£24,000); others, on the contrary, have nothing but debts. These are the young societies, which have borrowed to make a start. The recent misfortune has, however, taught us that in order to be able to maintain themselves, societies must start with their own resources. Those to which money has been lent to start with, have almost always brought in a loss to the lenders, without themselves succeeding.

* M. Hubert Valleroux' father (Dr. Hubert Valleroux) has long been known as one of the most steadfast and self-sacrificing of French Co-operators.

The government of the society is entrusted to one or more managers: if there are several, each one has usually a distinct occupation. The managers are overlooked by a council, named, as well as themselves, by the whole body of the associates. There is a marked tendency towards substituting a council for a single manager, which would oftener take effect but for certain legal difficulties.

Each associate contributes—1st, a fixed sum, which in the older societies has risen by degrees as high as 10,000 to 20,000 francs (£400 to £800); 2nd, his labour, so long as the society can offer him any; if it have too much to offer, auxiliary workers are taken on. The profits are divided between capital and labour, but only that of associates. A fortnightly or monthly allowance replaces the payment of wages. Work is paid for either by the day or by the piece, according to the custom of the trade.

Amongst the experiments tried hitherto, many have been unsuccessful, and that chiefly through two causes:—(1) inexperience—especially administrative and commercial—on the part of the managers; (2) want of harmony and discipline among the associates. Societies which have been able to resist the first trials, and to last on a few years, generally attain a good position. What is then to be dreaded is selfishness, when societies become rich. We have, unfortunately, a certain number which are in this position.

The idea of association is spreading among the working men, and finds many partisans; but very few are capable of practising principles of which they see the utilitarian side far more than the moral and elevated one. Want of instruction, and particularly of education, is here felt in a striking degree.

2. *Societies for Consumption.*—This kind of society, so flourishing in England, is somewhat recent in France. Some attempts may be quoted, dating from 1848—or even from earlier years—but they were not followed up; and it was only in 1863 that the movement really took its rise. It is still going on, and spreading daily. The sight of what is taking place in England, the propaganda carried on by such newspapers as *L'Association* and *La Co-opération*, and others besides, greatly contributed towards the establishment of these societies. The throwing open of the baking trade—which took place about the same time—also helped greatly their extension. The bakers in small localities, being no longer under control, agreed together to raise their prices, and Co-operative societies were formed to resist their exactions. Of these, there are now in France over 300, and the number is still increasing. The downfall of the “*Crédit au Travail*” society has had no influence in this direction. These societies succeed almost invariably in small towns: in Paris they have generally failed, owing to the slender profits which can be realised on the current price of articles—for the competition is very great—and to the scattering of the associates, which causes the general expenses to become excessive.

These societies do business in the baking line, in groceries, butchers' meat, sometimes clothing and household articles. Baking is

the commonest and best paying business; the butchers' meat business the rarest and least remunerative. The organisation of these societies varies. A few—but only here and there—confine themselves to making contracts with dealers, who give a discount to members of the society. These pay in counters, which the society cashes. There is thus a gain on the price, but not in the quality. Most of the societies, however, buy to re-sell; or, if they are in the baking trade, bake for themselves. They re-sell either at cost price, or (which is the more usual) at market price, giving to their associates the difference between market and true price, in the form of dividends, at the end of the year. Another difference amongst societies of the latter sort, is—that some only sell to their own members, others to the public. Profits are divided in proportion to capital subscribed—sometimes in proportion to dealings. There is nothing special as to the mode of government. As respects personal composition, these societies do not consist exclusively of working men. Traders and men of the literary profession are also to be found in them; and it is these last who have often taken the initiative in founding them. The capital is formed of shares, generally of 50 francs (£2) each. At starting, if the society be formed only of workmen, the associates themselves work the store. Later—or even at once, if the capital be sufficient—a shop is opened, *employés* are taken on: sometimes the luxury is indulged in of a manufactory or a mill. Almost all these societies prosper, give dividends, and appear animated with a good spirit. They are to be found on all points of the French territory, but especially in three regions—(1) the north-east (Haut and Bas-Rhin); (2) the south-east (Rhône, Isère, Drôme); (3) the west (Vendée, Charente, Deux Sèvres).

3. *Mutual Credit Societies*.—These societies are formed amongst workmen, or tradesmen of small means, united to form, by subscription, a fund which shall enable the members to lend to each other, or to discount each other's paper. Many artisans who could not find credit, or could only find it under very onerous conditions—are helped in a very effective manner by these societies, the number of which goes on, consequently, always multiplying. There are many of them in Paris, but it is not possible to tell the number of them; for we have nothing in France resembling the central office of your Registrar [of Friendly Societies]. In the departments, some are also to be found in the towns; but they are there true banks, of which the capital sometimes exceeds 100,000 francs (£4,000), and which there group together all the Co-operators of the locality; whilst the marked characteristic of the Paris and Lyons societies is their number, each having generally but a small capital.

Of these mutual credit societies, some only lend to their members, and are almost exclusively composed of working men; others discount, and comprise chiefly small masters and traders; some, finally, are mere saving societies, accumulating capital with a view to found productive associations, for which they are an excellent preparation. Working men, besides thus forming for themselves a small

capital, grow accustomed to see each other, to choose each other to conduct a business matter—and this is where they for the most part fail.

These societies are almost all progressing; because the members being careful in selecting each other, no unworthy ones are received, and each makes a point of honouring his engagements. Then there are no general expenses, the constituting of the society costs nothing, the officers (manager, cashier, superintending council) receive no remuneration, each member collects by turns, and the office of the society is a private house. The banks, indeed, have premises and *employés* when their capital allows of it; but the small societies cannot indulge in such luxuries,—which would, moreover, be useless to them.

The profits consist—1st, of the interest paid by borrowers or persons whose bills are discounted; 2nd, of the fines paid by those who are in arrear with their subscriptions. The associates receive thus 6 or 7 per cent. for their funds, for losses are rare. Hence these societies multiply; and those even who at first entered into them with hesitation, afterwards show much attachment to them, and are disposed to make sacrifices for the sake of their society.

I say nothing of our mutual aid (friendly) societies, for they are under the hand of the authorities. Societies for resistance (answering to your trades unions) have not the importance they have acquired in England; and are, moreover, obliged to borrow the form of mutual credit societies, in order to escape the necessity of an authorisation, which probably would not be granted to them. Other forms of Co-operation—for the purchase of raw materials, or for joint sales—have not taken much extension, any more than participating societies (Industrial Partnerships), in which the employer allows his workmen a share of the profits.

In short (as you see), if the movement be stationary in Paris as respects productive associations, it is spreading in the departments as respects associations for consumption: everywhere, and even in the capital, mutual credit gains ground. Government—very hostile in 1852—shows itself tolerant now-a-days; and this is much in France. It has even been seized with a fine ardour for Co-operative ideas; and, with a view to popularity, created, some years back, a discount office for Co-operative associations ("*Caisse d'Escompte des Sociétés Co-opératives*"), which has had no influence on the movement, but the creation of which proves the strength and tendency of public opinion. Our laws hamper Co-operation on some points; but offer to it no invincible, nor even any very serious, obstacles. The progress of Co-operation, under present circumstances, is therefore possible, and even probable, in France.

To conclude. I can but congratulate the initiators of the Congress on the noble task which they have undertaken. Amidst the praise bestowed on politicians and conquerors, I trust it will be allowed me to raise my voice in eulogy of those who—in seeking peaceful modes of progress, and the improvement of the condition of the worker—prepare thus, by sure means, the union of all nations, and the reign of God upon earth.

(3) *Letter from E. FEUILLER, Algeria.*

Isly, near Algiers, May 20, 1869.

Dear Sir,—I thank you, and the three or four of the committee who know me, and do me the honour of asking me to write in English—(although I can scarcely speak or write for want of practice; and lately I was sick, and am so weak that I cannot attend to my business)—my opinions on Co-operation in Algeria, if I cannot attend your (or better *our*) Congress. You can use my name, if you like; it will be a great honour for me to be counted as a supporter of Co-operation. I love it very much; but, owing to the unwillingness of Algerians, I cannot promote our Co-operative principle as I would.

Algiers, Philippeville, Bona, Constantine, Oran, Coleah, and Boufarik, have some Co-operative stores and banks; but the members do not love each other. They seem more like warriors than brothers. It gives me profound discouragement. Our societies cannot live with such feelings. The greater number of them are more sick, than progressing as they should. The operatives look on the rich Co-operators as on thieves who will take their *quatre sous*—their poor savings. The rich look on the poor with very little bounty. The poor cannot live in association, because very few of them have good understanding or goodwill. The rich in the societies make the expenses greater; and such expenses eat up all profits, and kill all progress.

In Partnerships of Industry, I am convinced that profits should be divided between Capital and Labour, with interest at the ordinary rate, but to diminish gradually. The interest on capital in a manufactory being £10, and the wages being £990, makes a total of £1,000; and if the profit is £100, the proportion gives £1 to the capitalist, and £99 to the labourers. This is my view of the matter; though, perhaps, in my own French tongue I would have explained myself better.

The best practical means of promoting a knowledge of Co-operation is, to my thinking, by having very frequent meetings for mutual education and instruction, where each could give his own suggestions and *renseignements*, and make inquiries as to the progress of Co-operation in the world. But Algerian corruption, and the tyranny of the French laws, do not permit us to have such doings here. You, happy and serious English, who can meet, and read, and talk, and write—you will freely labour for the holy and godly cause of Co-operation, till we have driven from the earth the dreadful evils of competition, which are freezing, icing our blood. You'll pardon my sorrow, my melancholy, caused by sickness of body and soul. Oh! when shall we have sufficient energy to make us free.—Yours faithfully,

Wm. Fare, Esq.

E. Feuiller.

III.—GERMANY.

(1) *Paper by FRANZ WIRTH, Editor of the Arbeitergeber.*Frankfort-on-the-Maine,
May 21, 1869.

Banks.—The Co-operative movement in Germany has reached an extent never expected some years since. In the year 1859, the number of associations (Co-operative societies) known to the "*Anwalt*" (attorney) of the societies, was 183; to-day there are more than 2,000. Owing to the particular situation of this country, the associations for credit operations were the first and most numerous—as we have not so many great manufacturers, great merchants, and great land proprietors, as you have. Schulze-Delitzsch

(the father of Co-operation in Germany) numbers 1,195 such credit associations, or people's banks, in 1868.

Magazines.—The next class was that of tradesmen's societies—to establish stores and magazines for the sale of their products. A single tradesman could not pay for a room good enough to sell the household furniture or clothes which he was making. It would not pay the expenses for a shoemaker to rent a store for the two or three pairs of shoes he had to sell; but twenty or thirty shoemakers could do it easily, and furnish such a number of boots and shoes as would be wanted for such an establishment. We have now societies of that kind, with permanent exhibitions, in thirty-seven cities.

Raw Material Societies.—Next to these, are the associations for the supply of raw material ("*Rohstoff-Genossenschaften*"), which have already a good position. Most of them have their own warehouses; they buy the materials wanted in great quantities, and at the right place and right time. A great advantage of this organisation is—besides the profit of wholesale trading—that the purchases are made by the most experienced and practical men of a great district. At the Leipzig fair, the Co-operative societies are already of great influence as to the prices and supply. We have societies of shoemakers, smiths, joiners, weavers, bookbinders, builders, basket-makers, tanners, millers, and gloves, to the number of 116 at present. The management of these societies is not so easy as the others, and we have sometimes failures of them, occasioned by want of experience and knowledge.

Stores.—The most numerous societies, after those for banking purposes, are the Co-operative stores ("*Consum-Vereine*"), which are progressing well. They number 316; but many are not registered, so there may be more than 400. The system is nearly the same as in England—except that only a few sell also to others than members. The latter are mostly tradesmen, small merchants, and officials. The workmen establish chiefly what we call "*Marken-Vereine*." They make contracts with bakers, butchers, grocers, &c., and buy their goods from those who charge the lowest prices, giving marks. Of other societies, many have—besides their stores—their own bakeries. In Zurich, the Co-operative store furnishes bread for nearly the whole of the city. The stores have also their own paper. The attorney ("*Anwalt*") edits the paper for all the societies—the "*Genossenschafts-Blätter*."

An aggregate meeting takes place yearly of all the banking associations, and also a special one of each store. Besides these two great congresses—for which reports are printed, with all the details of the improvements and progress made—there are many other meetings of the different provincial ("*Verbände*") unions—of which we have twenty-five in all parts of Germany for the people's banks, and a dozen for the Co-operative stores. The former carry on business like bankers. Bills of exchange are cashed by the one society for the other; and in the same way money is lent from those which have abundance to those which want it. The stores are now about to establish central [wholesale] stores, like the English, which will be a great benefit for workmen and others.

Manufactures.—The smallest class of Co-operative societies is that for manufacturing ("*Productiv-Genossenschaften*")—because they presuppose more experience, capital, and knowledge than the others. We have such of tailors, weavers, shoemakers, joiners, engineers, workers in metal, bakers, printers, bookbinders, watchmakers, wheelwrights, and cigar-makers. A society of carpet-makers, and one of engineers, failed last year.

The general report of 1868 numbers 1,195 people's banks, 316 Co-operative stores, and 199 magazine and manufacturing associations—making a total of 1,707; but the real number is more than 2,000.

Of the banks, 570 sent their statements, by which we learn that these 570 societies had 219,358 members, and had advanced money to the extent of 111,252,000 thalers (£7,600,000); shares, 6,847,000 thalers (£464,500); reserve fund, 600,000 thalers (£40,900); saving shares, 11,311,000 thalers (£772,700). At Berlin, a great central bank is established; and a second one is projected in Southern Germany.

International Relations.—The system is always extending; and it would be a matter worthy of discussion by the Congress, whether it would not be practicable to establish an international communication between all the Co-operative societies of the Continent and England. They could, as well as the bankers, transact the money trade, cash bills of foreign countries, and assist themselves in trade. If our Co-operative stores, or our central stores, would transact business together with the English, and buy together groceries and other products, they would, of course, have them cheaper than if they bought each alone. I leave that to your deliberations, but think that something could be done in that direction.

Conclusion.—The benefit resulting from our Co-operative societies, for the greater part of the people, is a very considerable one. 2,000 of such societies, which have not been before, make some difference in the produce and welfare of a land. In the smallest villages there are already Co-operative societies; and notwithstanding the great number of them, they increase daily; so that we may hope in some time there will be no place without such a society.

Franz Wirth.

(2) *Letter from Prof. E. PFEIFFER.*

Stuttgart, May 25, 1869.

Dear Sir,—Yours of April 24 is duly received. I beg you to accept my best thanks for the kind invitation to the Co-operative Congress, and hope you will be so kind as to transmit them to the arrangement committee.

I am very sorry (being just now much busied) not to be able to come over to London, to acknowledge the fair progress of Co-operation in England. Many years have I watched with the greatest interest this much-promising movement in your country, and I always admired the surprising results of your stores and your Co-operative mills.

Often have I taken the opportunity to recommend to my countrymen the practical organisation and the skilful management of English Co-operation. I dare say my endeavours were not quite without result. Besides the societies for mutual credit—a thoroughly German institution, which thrive so well, numbering about 1,500, with a yearly return of more than 600 millions of florins—we have now 500 Co-operative stores, with about 50,000 to 60,000 members, doing business to the extent of at least 12 millions of florins a-year. These stores are organised more and more after the English pattern; and these institutions, so much improved in your country, will bye-and-bye be extensively introduced in Germany. Of manufacturing Co-operative societies we have at present only from 20 to 30. Most of them work with success, and we may hope that their number and importance will grow every year. Lately we tried also to introduce with us trades unions, like those flourishing with you. The result is a very satisfactory one. The number

of workmen in these unions counts already by hundreds of thousands. You see we know how to appreciate the practical results of your Co-operators, and try to follow your example.

I am sorry that the indicated limits do not allow me to tell you more about our German Co-operation. I am sure you would find several principles and institutions of ours worthy of imitation. I wish the best thriving to your Congress: may it add to the progress and success of Co-operation. May this powerful and much promising movement grow more and more unto that which it ought to be, and lead to the moral and material improvement of the labouring classes. May it increase the justice and harmony of our social state. I beg to express my best wishes and hopes to the committee and to the Congress.—I am, dear sir, yours truly,

Edward Pfeiffer.

Wm. Pare, Esq.

P.S.—I have induced one of our most important Co-operative mills—the Co-operative Corset Weavers of Goëppingen—to send some of their products to your Exhibition. I hope you will kindly admit them.*

IV.—ITALY.

(1) *Letter by Prof. FRANCESCO VIGANO, of Milan.*†

With the greatest pleasure I have been reading the programme of the Co-operative Congress to be held in London—that is, a great gathering in the interests of the future; which future will acknowledge and take into its friendly councils the third agent of production—the labourer; the other two—the landowner and the capitalist—having been hitherto alone seated at Nature's banquet.

My soul has long lived in those parts of the world where reason is sovereign—England and Germany; for there it is I see the movement which I call the new civilisation, is ripening for the welfare and honour of humanity at large.

It is sad to think that the workman is obliged by so many toils and sacrifices to achieve independence; and that his rights (economical, civil, and political) have to be gained without the help and privileges which have been accorded to the owners of land and capital. Let the privileged classes be doomed for even the shortest period to the labour from morning to night of a shoemaker, a carpenter, a mason, a locksmith, or a miner; let them make a trial for once only of travelling from their homes without means, unknown, obliged to earn their bread by some menial occupation, playing upon some instrument, or reduced even to beggary, shabbily clothed, suffering hunger for even one or two whole days, and without hope of ever returning to their former easy condition; let them make this trial, and, by realising the sufferings of the working classes, they will hasten on the great benefits of Co-operation.

The Anglo-Germanic races, which were not corrupted by the Spanish malediction of Charles V. and Philip II., and which caused altars and thrones to be erected for the idler, are destined to help, by the example of their virtues, the elevation

* See also, for further details as to the German Co-operative Banking System, Mr. Morier's paper, — post.

† It is with deep regret that the Editor of this Pamphlet has to state that Professor Vigano's elaborate paper on Co-operation in Italy (which was read by Mr. Pare at the Congress) appears to have been mislaid, and has not reached his hands up to the date of publication. He can only reprint, from the *Co-operator* of May 22, the extract given above, from a letter of Professor Vigano to Mr. Pare, dated Milan, May 6.

of the Latin working classes, who already endeavour to imitate them, well knowing that such elevation can only be effected by their energetic will and self-denial.

Forgive me, sir, if I commence my letter with words which a cold-blooded person would call declamatory. They arise from my inmost convictions, which become stronger with my growing years. I will now answer the three queries which accompany your valued letter:—

1. I cannot attend the Congress, because the privilege of travel does not belong to those whose circumstances are not affluent. It was with much sacrifice that I attended the International Co-operative Congress of Paris, which, however, was not publicly held. Professors in Italy, except those in the Universities, are but poorly paid; so that if they dedicate themselves to the cause of humanity, they must suffer much. This, however, they do cheerfully, giving their time and all else they can to help forward the cause they love.

2. I should consider it a great honour to have my name added to those of the supporters and promoters of the movement.

3. I have several times expressed in the *Co-operator* the character of the Co-operative movement in Italy; but I will send a few words to be read at the Congress, on Italian Co-operation, and some notes of comment on the subjects proposed to be treated by the Congress, as appears by the programme accompanying your letter. I will also send you some of my works on Co-operation, for the exhibition.

Francesco Vigano.

(2) *Letter from the Commendatore CESARE CABELLA,*

Advocate, Professor of Civil Law in the University of Genoa.

Genoa, 28th May, 1869.

Very honourable Sir,—I received your letter of April last, and the circulars annexed, inviting me to attend the Congress of Co-operative societies, which is to meet in London on the 31st instant. I at once communicated to the council of administration of the Co-operative society here (of which I am the honorary president) your honourable invitation, and begged them to call a general meeting, in order to name a delegate who should go to London to represent the society at the Congress. The meeting lately assembled, and entrusted to the council the choice of a delegate. The council retained, until the last moment, the hope of finding some one of the members who should consent to go to London; but this hope having failed, they have (through me) requested the Italian Consul-General in London to name a person to represent the society. I hope the Consul will have the courtesy to do so; and the Genoese society will be very proud of being represented at the Congress.

As for myself, I should much desire to take part personally, or by my writings, in the London Congress. Unfortunately I can do neither: all I can do is to give you some details on the Co-operative society of Genoa. It was founded in August, 1864. Its object is Co-operation, but chiefly for the purpose of constructing houses, so that every member shall have a healthy and well-built lodging. Out of its funds it has already built a large house, containing 54 lodgings, which will be assigned by lot to 54 members in the course of next month. At the same time the first stone will be laid of the second house. The society expects to provide all its members with lodgings in six years. All this is done by means of small weekly subscriptions. The society is very prosperous. Concord and good faith, united with

the severest probity, reign within it. I trust it will grow from day to day, and supply one of the great needs of our town; that is—healthy habitations for the poor.

Cesare Cabella.

Wm. Pare, Esq.

(3) *Letter from Signori ALEX: GIROLAMO DELLA STUFA,*

President of the Co-operative Society of Consumption; and

GIU: DOLFI,

Grand Master of the Artizans' Fraternity, Florence.

Florence, 26th May, 1869.

Honorable Sirs,—The undersigned presidents of the Co-operative Consumption Society, and of the Artizans' Fraternity ("La Fratellanza Artigiana") of Florence, having learnt, on the 20th inst., that in the first days of the month of June a Congress was to meet in London, which was intended to establish the rules best adapted to render uniform and to improve the condition of Co-operative societies,—whilst applauding such a design, and wishing all success to the Congress, feel bound to inform you that, owing to the shortness of the notice they have had of it, it has been impossible for them to call together the respective general meetings of their societies, and to have their opinions as to whether they would take part in the Congress itself, by sending to it a representative, and share in the costs of holding it. They confine themselves to exchanging greetings with the London Co-operators; and will be grateful to you, gentlemen, if you would communicate something to them as to the results which may be obtained by the Congress.—With assurances of their highest consideration,

Alex: Girolamo Della Stufa,

President of the Co-operative Consumption Society in Florence;

For the Artizans' Fraternity, the Grand Master,

Giù: Dolfi.

v.—SWEDEN.

Paper by MR. AXEL KROOK, Gothenburg.

An Account of some Matters relating to the Swedish Working Classes.

In consequence of the invitation forwarded to me to take part in your discussions about the great operative movement, I herewith—being prevented from a personal presence at your meetings—send this paper as an account of the position of the Swedish working men. If an approach between the workmen of the different countries is to be effectuated, I opine that it is quite indispensable that it be preceded by some knowledge of each other's affairs. Up to the present time, the position of the Swedish working man has been little (if at all) known to workmen in other countries; whilst even eminent friends of the working classes have taken no notice of his concerns. Still, now persons' eyes are perhaps being opened in astonishment at the considerable emigration which one year after another deprives us of a number of productive hands. This emigration principally takes its course towards the West of America; where, accordingly, the Scandinavian popular element appears designed to act an influential part.

It is a duty belonging to every State to provide—as well as the right of every citizen to demand—general instruction and freedom of labour. Through popular instruction, the State enables the man to acquire in his youth the knowledge requisite for him to become a good citizen; and also that necessary to his development for the purpose of carrying on some trade, through which he may gain his livelihood, and by degrees may contribute to his own wellbeing, and to the wellbeing of society at large. Through freedom of labour, the citizen finds opportunities to employ his abilities without limit, on that kind of activity which suits him best, and by means of which he can, in the easiest manner, make his way in the world. These two simple, yet great, principles, form the foundation of the modern development of Swedish society and legislation. This legislation and system of development commenced during the reign of King Carl Johan XIV.; through the liberal suggestions of the then Prince Royal Oscar, they originated the Law for the Free National Schools, in 1842, which ordained obligatory and gratuitous instruction. They were further developed after Oscar I. ascended the throne, through the Law of Trade of 1846, which abolished the "Corporation" ordinances till then in force, and bestowed full liberty of labour. The crowning step was the Poor Law of 1853. By this latter law, every person of good reputation is allowed to settle wherever he chooses, for the carrying on of his trade without obstacles—having a right to help from the community in case of his becoming poor without having himself caused his distress.

As in every society where some great change from the usual order of things is being carried out, certain results have followed also here from the application to real life of the new principles of law, so sound and correct in themselves; partly because this application took place contemporaneously with the recent development in our country of enlarged industrial enterprises. Here, however, the workmen get divided into two categories; and it will be but correct, in order to acquire a clearer view of our subject, to contemplate each separately, viz.—the mechanic and factory workman, and the agricultural labourer.

The Mechanic and the Factory Workman.

Through the abolition of the trade "corporations," or the old restrictive trade law, every tie of union between the members of the same calling was rent asunder. The working men left their masters before these latter had obtained that recompense for what they had taught the men as apprentices, to which they considered themselves entitled. The former friendly feeling between the master and his men and apprentices, disappeared: soon the master became merely a stranger providing work. The tie of precedence between seniors and juniors amongst the men was likewise broken; and thus all became only workers—each for himself. Reciprocity was put aside; and the obligations which men of the same trade had of old thought they lay under—of rendering each other assistance in the hour of need—were slackened. Thus the working man

stood quite alone in the world—responsible himself for his existence, and deprived of any other assistance, when ravenous distress came to seize him in its gripe, than that humiliating support which society grants to the beggar. He was a free man, but he also had to battle alone with the world and his destinies. Unfortunately, his strength became frequently insufficient in the combat.

As a mechanic, he might entertain a hope of becoming, through industry, perseverance, and economy, a master, and owning the advantages which belonged to that position; but the mechanical trades by little and little changing into factory trades, his prospects of setting up for himself, and investing in a business of his own the savings which he had succeeded in making as results of his work, became less and less. The consequence of this was, very naturally, that his energy and zeal in labour, and in economy of living, became less in the same degree. He began to live, not for the future, but for the present; and fell into the temptation of availing himself of that injurious credit which people willingly offered him whilst the sinews of his arm were strong and well knit for work. He sold his liberty and independence to his creditors. Made hopeless by the small prospect of setting up for himself, discouraged and listless through dependence on the employer and on his creditors, he became indifferent to his own interests, and not unfrequently hurried down that slope which conducts to the receptacles of the dregs of society.

The compensation for this self-abandonment which the working man ought to have received, in the shape of an enlarged income, here, as elsewhere, has not yet ensued. He consequently stood completely defenceless against sickness, unprepared to bear the heavy burden of old age, otherwise than as an object of charity. Doomed to be throughout life the receiver of work from others, he was unable to save that modest little capital which would have made him sure of a frugal daily bread—which should always be his own—at the sunset of life, when the employer would, with all certainty, send away the worn-out worker, no longer worth his wages. His position was aggravated still further by the lately-established factory system, which caused him to be more than ever dependent on the accidents of trade. A crisis might at any moment deprive him, and whole masses of his fellow-workmen, of their daily subsistence.

If matters were to continue like this, a state of society might, with great reason, be apprehended, which would create a rather small number of wealthy employers, with many thousands of indigent workmen;—both parties (as a writer upon National Economy has expressed himself) equally unfit for doing anything good—the first from love of pleasure and luxuriousness, and the latter from want and distress: whilst, on the contrary, the real affluence of a country, as is well known, arises from the distribution amongst nearly all its inhabitants of this affluence. It became evident that the instruction of the working masses was the only sure and lasting means, in the long run, to counteract such a tendency; or that

this was, perhaps, rather the best foundation upon which they might be able to develop themselves, so as to take every advantage of the freedom of trade and of labour granted to them. The State, for these reasons, decreed the establishment of at least one local school in each town, as well as in each country parish, with a master properly approved of at some seminary of teachers (not ecclesiastical). Instruction was to be, as before said, obligatory. At the same time, a good number of technical schools for mechanics and factory workmen were established. Technical tuition was made attainable to every person without distinction—no greater acquirements being expected from the applicant for admittance than those he might have gained at any national free school. Thus every poor mechanic, apprentice, and peasant's son, may gain, through application and energy, that degree of knowledge which is required from first-class engineers. As in France every soldier carries a marshal's baton in his wallet, so in Sweden any poor young man may have a hope of rising to the most prominent position, if his own mental strength be adequate for the purpose.

Added to this, the Factories and Mechanical Trades Law enjoins on every employer to pay the cost of medical attendance and medicine for workmen falling sick whilst in his employment. Many persons, however, released themselves in a very arbitrary manner from this law; and the technical schools could not receive all the children of workmen, or those elder working men, who were trying to enlarge their measure of knowledge, in order thereby to gain independence. The State had done what it could; but this was insufficient—it did not reach far enough into the masses. The danger became the greater, as, through the introduction of the system of free trade, a great many products of foreign countries—more advanced than ours in industrial enterprise—began to come into this country, and by way of competition carried away the palm from Swedish products. Troubled at this, the workmen began to see the necessity of some kind of union, so as to be able to meet all these concurring facts. Many employers—especially the owners of factories and mines—also judged this a very urgent want; perhaps because to them suffering showed itself in so many forms, and they were feeling the pressure of it upon themselves. Yet the spirit of association, in its newest forms, had not awoke. Hence it arose that many employers had to use forcible means to prevail upon their workmen to institute funds for the nursing of the sick and burial of the dead—the first manifestation in our country of the modern association movement. At one factory after the other, the workmen united themselves, and formed for each special factory a similar kind of fund. In many callings, some of the old "corporation" spirit still remained, together with various funds, which the members of those trades now used to supply foundations for similar relief funds. The "corporations," however, rendered contribution to those funds obligatory. This could now no longer be the case. In mechanical callings, the foundation had to rest on voluntary effort; from which it followed that participation in

these funds became for a long time rather small amongst the mechanics, although it had grown more and more. Norrköping (one of the large towns of Sweden) counts a great number of cloth factories, with a considerable number of workmen. These men had interests in common to attend to, in consequence of which some sensible and reflecting men amongst them united themselves in the year 1860, and founded the first Swedish Working Men's Association. This, likewise, made it one of its chief objects to create an organisation for reciprocal assistance during illness.

This association, however, likewise made it one of the points in its programme to elevate, through the associative idea, its members in mental respects. It acted many years silently; paid, in the course of seven years, not less than 12,000 rixdollars in aid of the sick, procured a library, and built a house of its own for its meetings, the expenses of which amounted to 77,000 rixdollars. Some members established also an association for production, and had a cloth factory of their own, in the same manner as the members of the Rochdale association founded a special mill company. Now and then other associations were formed, after the model of the Norrköping one, working their way quietly, and with little strength for further development. The fact is, that these associations partook themselves, in a certain manner, of the spirit of "corporations"—their rules prescribing that they were to consist exclusively of working men, and not admitting working women otherwise than as a complementary element in their amusement and recreation.

In the beginning of 1866, however, a number of workmen met in Gothenburg (the chief commercial city in Sweden); and they, after long deliberations, formed, in August of the same year, a working men's association, which proclaimed full liberty of admittance to every person wishing to be considered a workman in the community; and granting likewise to women the same place as to men. It directly established its sick and burial funds, pronounced its aim and end to be similar to the association at Norrköping—to elevate *mentally* the workman, adding also *economically*. It pointed out more explicitly, as the nearest object for its future activity, the establishment of Co-operative stores, dwelling-houses for workmen, and a people's bank. The association went to work with great energy, opened a mercantile business as early as April, 1867, with one shop, and a library and reading-room. Its commercial traffic took a good start; and the association at present owns three shops, where, however, only groceries and provisions are kept for sale. The capital required for this was obtained by means of a loan from the members, who, as securities, received debentures issued by the association. These have, by little and little, been paid with the money of the association, obtained through a subscription of about threepence, paid monthly, by every member. The first year the business was excellent, yielding a very good profit to the members. The second year proved one of very unfavourable local trade, causing losses on some descriptions of goods. Expenses were also high; and, moreover, the organisation was not quite firm, so that the

profits only sufficed to pay interest on capital. As at Rochdale, a crisis occurred, through the withdrawing of a great number of injudicious members from making purchases at their shops, which considerably lessened the business capital. This crisis, to a certain extent, lasts still; but, in my opinion, it is beginning to pass away, for a good many persons are returning to the shops. Through a great curtailing of the expenses, greater economy in management, and better circumstances, we hope, at the end of the year, to show a profit sufficient to re-establish general confidence (or rather interest) in this important affair. In itself, it possesses indisputably the best and safest means to produce the formation of a capital which will be useful to the workman; whilst at the same time the distributed profits will act beneficially in many of the homes of poverty, where every shilling is welcome.

The step taken by the association in Gothenburg was, in the meantime, followed throughout the country. A number of associations were soon formed in the most different quarters, in town and country. The right thought had received due animation—the idea of uniting and keeping together had taken shape for the working men. A noticeable feature in this movement, and peculiar to our workmen, is—that they immediately endeavoured to provide a library and reading-room as soon as they had formed an association. At an earlier period, the State had very zealously tried to encourage the institution of parish libraries (public), though these endeavours had in most places failed, in some degree owing to resistance from the clergy; though—be it said to their honour—many clergymen, on the contrary, assisted the plan to the best of their power. The workmen (the people) now took the affair in their own hands; and this is an event from which, with the will and blessing of the Almighty, we may hope for great good. We know that it is solely on the foundation of an increasing enlightenment, that the working men may rise to perfect equality with other members of society—with true strength, and a knowledge of their own wants, and of the proper means for satisfying these. On this foundation alone they become fit to enter into their rights, and to take part in public affairs. Hence I believe I may already now characterise the working men's movement in Sweden, as carrying within itself a sure guarantee of its becoming a school for the patriotic training of multitudes, whose morality, moreover, will be heightened through reciprocal responsibilities and common interests. Let me mention that a warm address was issued from the Gothenburg Working Men's Association to the other associations, treating of the working man's evil—the use and abuse of intoxicating liquors—which was attentively noticed and animatedly discussed. The attention given to this subject will, in the course of time, show the working man how ruinous strong liquors are to his class.

Co-operative stores, or (as we call them here) unions for consumption, arose within the greater part of the new associations; and this movement is extending itself more and more with great power. Credit in this country is very

much misused by all classes. The injurious results of its misuse must needs appear soonest and strongest amongst the workmen: with them, accordingly, the want of restoring credit to its original purpose was sure to make itself felt. The workman in debt must feel himself to be a slave; and this feeling is all the more dreadful as already, with a small debt, he has great difficulty to get on—his incomings being small, and leaving him little prospect of freeing himself from his position of dependency. In such cases, this movement will be of good use, through its rule—observed everywhere, after the example of Rochdale—that all trade is in ready money. Unfortunately, it still appears as if these commercial unions, in several places, had not as yet given any desirable results, and only small (if any) profits. With an attentive eye, we look upon these matters; which will probably, sooner or later, induce the associations to organise themselves so as to establish in common (and, as we fancy, in Gothenburg) a wholesale purchasing business. We might, perhaps, be able to give further development to this thought; and through the brotherly interest which must arise between the workmen of the different countries, to effectuate such an approximation between these large wholesale commercial organisations, as to cause them mutually to support each other, and thus to lower prices as far as can be.

The Swedish mechanic—who nevertheless possesses (as we have said) complete freedom of labour, and who is allowed to carry on business in whatever part of the kingdom he wishes—has had troublesome adversaries to combat, in the strong competition with foreign products, in a too large credit for consumption, and finally, in the difficulty to obtain a cheap business capital. With the Scotch banks and the German popular banks in view, preparations are being made here at present for the establishing of similar banks, which, whilst they garner up the savings of the workmen, will at the same time return them in promoting production. Thus it is hoped that the workmen will have at their disposal the first of the three things necessary for their being able to endure a competition with foreigners—viz., constantly attainable and (comparatively speaking) cheap capital for carrying on business. The second condition is—the cultivation of the mechanics' skill to a *par* with that existing abroad. This, it is hoped, may be accomplished through the further development of the technical schools, which will doubtless be a Government measure, as the great working class movement is a thing which must needs, without delay, be attended to by our Parliament (the Chambers). A third condition is—cheap depositories for the sale of the workmen's productions. The Gothenburg Working Men's Association intends opening a great and permanent exhibition, where the members may exhibit their works for sale, and may receive loans on them to a certain amount, if they can give sufficient guarantees, from the popular bank connected with the exhibition. The example will probably be followed in most places. We hope by this means to call forth cheapness, a wholesome competition, and (before everything) to make even the poorest workman

independent and self-reliant. It is intended to arrange competitive exhibitions monthly, of articles which furnish proofs of great care in execution, or of some noteworthy improvement, or which constitute new inventions. The exhibition funds will procure foreign models occasionally. Juries of able workmen will be appointed, of good ability in the respective trades, who will decide whether or not the articles may be admitted to compete. We expect in this manner to put some animation into, and procure some interest for, the cause of our manufactures, now in a somewhat dormant state. We wish to inspire the public with a greater interest in them, to cause the working men themselves to value their occupations, and to induce persons to advance money. This, as the Congress will find, would be a new phase of the Co-operative movement—contributing to the prosperity and self-reliance of the working man, and also to the heightening of his intellectual powers, and (with these) of his love of freedom. Sweden has many warm-hearted men of the wealthier classes, who will unquestionably hasten to support such an order of things.

Nothing has yet been done here, nor yet has there been a possibility of gaining anything, with regard to the admission of workmen to partnership in the factories. But that day also will come, if the workmen themselves, through thrift, assiduity, and intelligence, advance its coming. Associations for the construction of working men's dwelling-houses have not yet come into existence amongst the workmen here; but at most factory works, and in most cities—particularly in Gothenburg, where the wealthy merchants show themselves nobly interested in this matter—there are working men's cottages, or their building is contemplated. The Mühlhausen system has not as yet been propagated, but will very likely be soon introduced here in Gothenburg, from whence it will eventually be extended to other places. A movement is also observable on the summits of society for trying to form associations, with a view to developing in working men and others the idea of self-aid in old age by means of subscriptions for deferred annuities. I doubt if any practicable result will ensue from this, unless such societies unite themselves to the Co-operative associations, and endeavour to act conjointly with these.

The workmen and patriots of Sweden are thus striving with all their might to elevate the mental and pecuniary position of the former. The sight inspires one with hope for the future—hope that bodily labour will rank on a level with every other occupation or employment; that the moral culture and the mind of the working man will become such that he may demand with success the application of his undeniable right to take part in public affairs; that, further, his work will be better paid for, through his greater skill and more independent position; that he may be able by small sacrifices to assure himself against disease, distress, and inability to work; that, through Co-operative societies, he may make his daily expenses for the necessities of life as low as possible, founding them on the sound economical doctrine of making them correspond to his income;

that, finally, he may thus become enabled to pay a somewhat increased rental, through which, in a certain number of years, he may buy up his house, his home, his castle that is to be.

The Congress will find from the above, that Sweden—both as regards laws and customs one of the freest countries in the world—is preparing permanently also to occupy a respected position in the new era now opening for the progress of humanity, which has for its watchword Liberty and Equality, not only as a phrase, but for a fact.

Now, for the last, a few words about

The Agricultural Labourer.

The greatest part, by far, of all ground in Sweden, is owned by peasants, who do the work themselves, principally assisted by the members of their family, and now and then by hired servants, who, being of the same class as their masters, may be considered very nearly as members of their families, and are treated as such—living and faring in the same manner. On more extensive estates, the work is done by cottagers, "State" folks, hired servants, and casual labourers. Of these, the cottager has the most advantageous position. He is a kind of small farmer, the landowner allowing him for a settled time a piece of ground, large or small, on which the owner erects a building; the cottager, on his part, being bound to work without payment on the owner's property for a certain number of days every week, according to the quality of the cottage—most frequently from one to three days weekly. Certain other liabilities besides belong to both landowner and cottager. The cottager consequently may, whilst working for others, likewise work for himself; and is not generally subject to such fluctuations as other workmen.

"State" folks form the second large class of labourers. They are a kind of hired servants, bound to give all their time to the work assigned to them. Instead of wages, they receive what is called a "state," to a settled value, and consisting of money, clothes, and victuals, with which they do their own house-keeping. They are taken by the year, with a certain time for giving warning. Their position is by no means good; and it may be said that they mostly form a class of candidates for pauperism—their future being in general concealed inside the gates of the alms or workhouse.

Much remains to be done here by the State, and the labourers themselves, for the purpose of bringing on a change in these matters. Here also an increased popular Education must first spread its rays of light over the deep valleys, before any real improvement can be thought of—for this latter never is attainable unless the workmen themselves aspire to it; and for the forming of a firm determination in these things, a certain degree of mental cultivation is, in fact, requisite. I mentioned before, that for the country people also, obligatory and gratuitous instruction was decreed by law. Every community has its school commission, which attends to the application of this law. In order still more to extend popular education, the representatives

of the nation have allowed higher national free schools to be established, by aid of public means, for one or more communities together, if this is thought necessary. But these higher schools rest on voluntary effort, and for this reason are not yet quite general—most persons being contented with the elements of knowledge which are acquired at the regular national free schools. After the model of our sister country (Denmark), private persons have looked into the necessity, for the political future of the country, that the peasantry—landowners, as well as others—should be furnished with a larger share of instruction, to enable them to support in a worthy manner that political power which our new liberal constitution has put into their hands, and to profit by it. Consequently, they have begun to establish what are called “popular high schools”—a kind of colleges for the youth of the labouring class. This institution is too new for me to pronounce any opinion upon it. It is anxiously recommended by the press, and it ought, sooner or later, to command the attention of the peasantry. As opportunities are offered to the poorest youths of the artisan class to attain, through general technical instruction, any place in society, so there are likewise opportunities for the sons of agricultural labourers to acquire that knowledge of agriculture which is wanted to make them skilled in it, and to procure for them a respectable position in society. Sweden is divided into governments, each government having an agricultural college, where the elements of agriculture are taught. Increasing numbers of the sons of agricultural labourers apply for admission to these colleges. Superior to these, stand two large agricultural academies, as they are here called.

Freedom of trade has caused a great number of dealers to settle in country places, where they have very much injured the people by influencing their formerly simple habits, through undue opportunities of credit for their consumption. This latter has caused the population to lose their independence; and through an always increasing burden of debt, to lose every earthly chance of prosperity. Alarmed at this, our patriots took great pains to create means of suppressing the mischief; but these became mere useless palliatives, until ultimately the idea of unions for consumption found application in real life with the Gothenburg Workmen's Association. Since that time, similar Co-operative societies are being formed in great numbers in country places, adhering to the golden rule—“all trade to be for ready money,” and no week passes without the newspapers containing some account of new undertakings of this kind in the country. These will, bye-and-bye, become a kind of exchange in each locality, where the inhabitants may transact business, and change their goods for others. Firmness and stability in business will thus be regained, and our beloved Fatherland will in this respect rest on a basis surer than anything else to prepare its lasting prosperity, and to contribute to economical progress. In the country, too, desire for more education is felt in connection with the realisation of the Co-operative idea, and libraries are being established even in the most remote

parishes. We believe that in course of time occasions will thus be given even to the very poorest labourers to become, through the establishment of popular banks, landowners themselves. They will, as we hope, become a thrifty and industrious population, vastly enhancing, through the fertility produced by the sweat of honest labour, the value of the soil; and the national wealth will be enlarged through a formation of capital hitherto never imagined. Our country has a vast extent of surface, and offers work in abundance to its population; but it lacks capital. Hence the scarcity of work in several localities, and the emigration of numerous agriculturists. With the united powers of Co-operation and self-aid, these evils will, let us trust, be removed. Our people are by nature intelligent; and their powers of reflection once stirred in these matters, they will easily familiarise themselves with everything that relates to them.

Here I end, asking the honourable Congress to excuse my occupying too much of its valuable time; but the Arrangement Committee of the Congress having made a communication to me, in order to draw near the friends of Co-operation in England and Sweden, I have joyfully embraced this opportunity of describing the position of the labouring class in this country; whilst, indeed, I have likewise tried, through a journal (the *Workman*) of which I am editor, to make the Swedish workmen familiar with the condition of their fellow-class in England and on the Continent. We may mutually learn something from each other. Wishing you every success in your aims, and hoping that the Swedish workman may count many friends in your assembly, I regret not being able to attend your meetings, and beg you to accept my brotherly greeting.

VI.—SWITZERLAND.

Letter from Prof. GUSTAVE VOGT, Berne.

Berne, May 12, 1869.

Dear Sir,—It is with the greatest interest that I perused the programme of the Co-operative Congress, which you and the other distinguished men with you have undertaken to organise, and have had the happy idea to summon. I thank you much; likewise my excellent friend, Mr. Cowell Stepney (whom I have requested to transmit this letter to you) for having invited me to this Congress. Notwithstanding that my occupations prevent my attending, I have nevertheless not neglected to make, as much as time would permit, a propaganda for your cause.

In a few days, you will find in the *Bund* an article in which I speak of your Congress; and I have addressed the circular you have sent me, to some of the friends of the working classes, who, I hope, will send their answers to you directly; amongst others, to Mons. Jules Grandjean (at Chaux de Fonds), Henry Duparquier (at Cortailland), Dr. Hirsch (at Neuchâtel), Gustave Moynier (at Geneva), Councillor of State Buchonnet (at Lausanne), Charles Burkli, Dr. Zehnder, and Déacon Hirszech (at Zurich), and Professor Dr. Kinkelin (at Basle).

In Switzerland, the Co-operative movement is as yet but little developed. We possess a few societies of consumption, the most important of which is that of Zurich; a great number of popular banks, or banks of mutual credit—above

all, in French Switzerland; some raw material societies; but very few productive societies. Of these latter there exist (so far as I know) but two—that of the Cigar Makers at Morat, Fribourg; and that of the Working Tailors of Lausanne. The associations are not yet bound together by a common organisation, and they would scarcely be in a state to send delegates to the Congress of London.

Perhaps one of the gentlemen to whom I have addressed your circular, will furnish you with more ample details upon the actual state of Co-operation in the different cantons.

Allow me to express a wish, in the interest of the cause of which you have made yourselves the champions. Your Congress will be an English Congress, by its language and its present composition; but the labour to which it is devoted will be for entire humanity, as you testify yourself by invitations addressed abroad, and by the tenour of your programme.

Thus I may hope that the greatest possible publicity may be given to the deliberations of the Congress: and with regard to myself, I shall be happy to be able to contribute by communications with the Swiss newspapers, if you place me in a condition for so doing.

I have no need to add, that it will be a great honour to me if you will join my name to the list of "supporters" of the Co-operative movement.

Pray receive, sir, the assurance of my high esteem and devoted sentiments.

Dr. Gustave Vogt,

Professor at the University.

Mr. Wm. Pare.

Besides the Foreign Co-operators from whom communications are printed above, invitations had been addressed to the following gentlemen, amongst others; from several of whom (and in particular from Professor Huber and Dr. Max Hirsch) letters warmly sympathising with the undertaking had been received:—

Pastor Sonne, Thisted, Denmark;
Herr Schulze-Delitzsch, Potsdam;
Dr. Engel, Berlin;
Dr. Max Hirsch, do.;
Dr. Jannasch, jun., do.;
Prof. V. A. Huber, Wernigerode;
M. Jules Simon, Paris;
M. Elie Reclus, do.;
M. A. Desmoulins, do.;
Dr. Hubert Valleroux, do.;
Prof. Dr. Luigi Cossa, Pavia.

The French elections, and the session of the North German Parliament, no doubt prevented several of our French and German friends from attending or otherwise promoting the Congress.

Mr. Ludlow, who had read the report from France by M. Hubert Valleroux—the other foreign communications being read by Mr. Pare), added—that there was a very successful illustration of Industrial Partnership in Berlin, in the trade of pewter workers, at the head of which was M. Borchert, jun. At the last annual meeting, a dividend of about 10 per cent. upon labour had been declared, but upon a more elaborate system than that followed in our own Industrial Partnerships, the workers being divided into four classes, viz.—workers by time, by time and piecework combined, by piecework only, and those paid by a percentage on gross profits—the rate of dividend being

highest for the first, and least for the last; so that whilst the first class received over 14 per cent., the second had nearly 11, the third a trifle over 7, and the fourth only a little over 3½ per cent. Mr. Ludlow said it was a matter of regret that they had no report to present to the Congress from the United States.

Mr. Hodgson Pratt mentioned that he had received a letter from M. Elie Reclus, of Paris, who regretted that he was unable to be present, and expressing the determination of the French Co-operators to persevere, in spite of failures and obstacles. M. Reclus forwarded a report of the Working Masons, who had just terminated the 20th year of their existence. They had commenced with a capital of 30/-, and had now £20,000. An encouraging letter had also been received from M. Abel Davaud, of Paris, an artisan, who for many years edited a Co-operative journal.

Mr. Pare mentioned that Professor Vignano, of Milan, had sent a number of valuable works in Italian and French, which he had written, on the subject of Co-operation.

On the motion of Mr. Ludlow, seconded by Mr. Hodgson Pratt, it was resolved that the thanks of the Congress were eminently due, and were thereby tendered, to the writers of the above-mentioned communications from foreign countries, for the valuable information they had afforded to the Congress on the subject of Co-operation in Denmark, France, Germany, Sweden, and Switzerland; and to Professor Francesco Vignano for the present of his works, in the Italian and French languages, on Co-operation and other kindred subjects.

Mr. Hughes, referring to a work on Trades Unions, lately published by a distinguished foreigner, who was present—of which he announced that a translation would shortly appear in this country—called upon the Comte de Paris to respond to the resolution.

The Comte de Paris briefly acknowledged the vote of thanks, expressing his sympathy with the Co-operative cause.

The first question for the discussion of the Congress, was:—What further steps can be taken to give effect to the resolution of the Trades Congress, held in Manchester, in June, 1868—"To utilise the organisation of the Trades Unions for Co-operative purposes?"

Mr. John Frearson, of Birmingham, was called upon to read his paper on

Trades Unions and Co-operation.

My object is to answer the first question in your programme—"What further steps can be taken to give effect to the resolution of the Trades Congress held in Manchester, in June, 1868—namely: 'To utilise the organisation of the Trades Unions for Co-operative purposes?'"

Trades Unions have been formed with the view of raising funds to be applied for the purposes of protecting their trade interests, supporting their members while out of work, in cases of sickness, accidents, superannuation, death, and benevolent objects. And for these purposes, those unions with which I am acquainted have been most successful. But as

the trades unions have large surplus funds at their command, I purpose to show how I think they may be employed in Co-operative production and distribution, so as to be permanently beneficial to all concerned. I am aware that it has been suggested that the surplus funds of trades unions be lent to Co-operative firms at a certain rate of interest; but when we consider that the trades unions possess members of every grade of ability—qualified to fill all kinds of situations under their present employers—with a superabundance of capital,—how much more profitable it would be to employ their funds in production and distribution, than to lend them! And it would be strange indeed if they could not do for themselves what they perform for others. Why spend such immense sums in the support of members while out of employment, when they have sufficient skill and ability to carry out works of their own, in which all might be usefully and profitably employed? I find from the Engineers' report for 1867, that in 17 years their members received £360,865 in the shape of *donations alone* while out of work—or, in other words, for doing absolutely nothing. I am aware that it was their policy to pay this vast sum, rather than their members should be necessitated to work for reduced wages.

The more intelligent members of the Engineers' Union have long desired to use a portion of their funds in a business for themselves; but as there has been a difficulty in effecting this legally (and perhaps for other reasons), they have not ventured to commence.

As the Engineers' union has grown to its present size—having 33,325 members, with its princely fund of £125,263—without legal protection, and has been conducted with less expense and less fraud than some legalised companies; and as there is no law to protect their funds as their society is at present constituted,—I think that until there is a suitable law for them, they might invest any sum of money that they may decide upon, for the purpose stated, in the hands of trustees, giving them power to carry out their wishes similarly to the way in which Mr. George Peabody has invested a much larger sum than that which they have at their disposal: but with this difference—the Engineers would require a member of each branch of their trade to form a committee, to whom the executive council should present the conditions of the gift, as well as the money on the execution of the deed. Also, the same number of members, representing all the branches of the trade, to act as trustees, who should receive the gift from the committee as the donors. This committee to stand in the same relation to the trustees in the deed, as Mr. Peabody does to his trustees. Then the Engineers might safely invest a portion of their surplus capital in the establishment of a workshop on purely Co-operative principles, without any alteration in the rules of their society.

Being more familiar with the engineering business than any other, I selected a business which I thought the most suitable for the Engineers' union, and prepared an estimate of the capital required for freehold land, workshops, machinery, tools, and materials,

showing the number of men for each branch of the trade, with their average wages, and the probable profits of the business, if conducted as proposed. Also, a table of calculations, which indicates, at a low rate of profit, that all the members of the Engineers' society might be employed under the trust in 15 years; that is, supposing that no profits or interest be withdrawn during that period, and that other works be established, so as to employ the whole of their capital as it accumulates. But this estimate I am obliged to omit, as my time is limited.

In order to show that I had ample opportunities of judging both sides of the industrial questions between masters and men, I wish to say that I have passed practically through the various stages of apprentice, foreman, manager, and employer, during a period of 40 years; and I have, many years ago, come to the conclusion that, in the present system, the interests of the workmen and those of their employers are not identical, and never can be made to be so. And in this, one class is no more blameable than the other; for employers and workmen are obeying the same law of their nature by obtaining all they can from each other. Thus, by the principles which actuate each and all under existing arrangements, they are necessitated to care for self, almost regardless of each other. No—there is no way of really making all interests identical but that of Co-operation, or united interest on equitable principles. In the Co-operative system, by each attending to the same law—namely, to his own individual interest—he will at the same time be serving the interests of others: thus, the interests of all the members being engaged in Co-operative production and distribution, each will, of necessity, find his individual advantage in the prosperity of all.

The advantages of Co-operation over individual effort would be enormous. The employer now gains his profit by the co-operation of his servants; but they do not co-operate for themselves. Should the Engineers become their own employers, they would possess many advantages which they do not now allow their employers to possess. They would then consider piece-work as the really most equitable system; they would fix a much higher limit to the number of apprentices; they would not oppose the introduction of labour-saving machines; and they would not limit the number of self-acting lathes, or machines which should be worked by one man. A turner, planer, or cylinder borer, would no longer sit for hours—or days—while a lathe or machine operated self-actingly. As waste in the workshop would be attended by a corresponding diminution in the members' balances, they would feel waste a loss, and economy a gain—as attested by Messrs. Briggs and Co. in their report.

As every member of the Engineers' union would be interested in the undertaking, their argus eyes would constantly be on the lookout for, and to suggest profitable additions to, the business. The latent—nay, stifled—inventive powers of the members would soon be developed, and they would contribute improvements in machinery to facilitate work; and no doubt

many valuable inventions would be brought out, and new branches of trade introduced, that would otherwise remain unknown. Many important inventions have not appeared, because working men had not the means necessary to work out and patent them; and without these means, sad experience shows that they had only to make them known, to lose them. But they may safely send their inventions to the trustees without the least fear of having them purloined.

By not withdrawing the interest and profits, but using them as they accumulate in the extension of the business, the amount of capital would be immense in 15 years; and as a portion of the balances of the society might be appropriated each year in the way described, the trust fund would be greatly enlarged—as I find the yearly average balances for 17 years were £57,262; which, if no more in the future, would amount to £858,930 in 15 years. Thus the Engineers—having persons fitted to occupy every kind of situation, and possessing a gigantic fund—would be capable of carrying out works of the greatest magnitude.

Moreover, in cases of slackness in trade, underexisting arrangements employers suspend operations. This is a loss both to them and their workmen. But under the Co-operative system, as the workmen would have a knowledge of the entire business—and having materials, tools, and shopping, and a surplus stock of the regular goods—they would turn their attention to the manufacture of articles of more certain sale, or they would increase the number of their engineering tools. And this the workmen would be satisfied to do at greatly reduced wages. But the workmen cannot be induced to do this now, because of the great distance at which they and their employers stand apart from each other. No—if the employer proposes a reduction of wages under similar circumstances, a strike is threatened.

The trust deed should provide for the accounts to be balanced periodically; and in justice to those members of the trades who have assisted in raising the funds, and who may not be engaged in the Co-operative establishment for some time, 5 per cent. per annum should be allowed on the amount invested, and the remainder of the profits should be put to the credit of each Co-operator as bonus, in proportion to salary, wages, or what may have been received on piecework. Then, when all the members of the trades came to be employed in these establishments, the capital due to each would be known; and, no doubt, equitable arrangements would be made that would be satisfactory to everyone as to the disposal of his capital.

Until the whole of the members of the trades were employed in their own workshops (in justice to those who were not employed therein during the transition from the individual to the Co-operative state), they should work the same time that they would have to do if they remained in the old system; but afterwards, they might at once reduce the time for labour to six hours per day, as this would be sufficient to enable them to provide for all their necessities. Then they would have time

for recreation, amusements, social exercises, and the acquisition and diffusion of knowledge. Whichever aspect we take of a really Co-operative system—whether pecuniary, physical, intellectual, or moral—the advantages over the present one would be innumerable. Take the trade view, for instance, as this would most concern them at the commencement. Their present system of trades unions limits production, and wastes their hard-earned cash in the support of strikes and forced idleness: while the Co-operative system would immensely increase production, and thus augment their funds, without the necessity of strikes, lock-outs, or of their members being unemployed.

Great as the advantages would be in Co-operative production, they would be small when compared with the moral advantages which would result from the adoption of the distributive, domestic, and social departments of Co-operation. Therefore, although these may not be adopted for some time, the trust deed should provide not only for the erection of workshops, but also for the erection of stores, houses, and public buildings, for the use of the industrial members and their families. Then, day schools might be provided for the children, and evening schools for adults, in which they might acquire a superior education to any that they can obtain in the present system. Indeed, the trustees might provide everything that their industrial members would need, for which they should be charged the market price, and credited with the profits periodically, or receive them in the shape of bonuses, in proportion to the amount of their purchases. And in order to encourage saving habits, provision should be made to receive the members' deposits, allowing them 5 per cent. per annum interest for the use thereof, with permission for the same to be withdrawn after a short notice.

In conclusion: I would simply add, that after many years' study of the Co-operative system—of which I have here endeavoured to give a brief outline—I can fearlessly say that I have the fullest confidence in its practicability. I am not so confident with regard to the legality of the mode suggested; but this I think—that if it is not in conformity with the laws of the realm, and there is no other mode that can be applied for the purpose that would be consistent therewith, then it is the duty of our legislators—and it would redound to their honour—to remove every obstruction that might prevent the adoption of a system of Co-operation of the Trades organisations.

Mr. M. Macleod, of Manchester (a member of the Amalgamated Society of Engineers), in opening the debate, compared the two plans for utilising "the organisation of the trades unions for Co-operative purposes," proposed by Mr. Ludlow* and Mr. Frearson. Mr. Frearson's

* The reference is here to a paper on "Trade Societies and Co-operative Production," read at the Industrial Partnerships Conference, Manchester, Sept. 1867, and afterwards printed, in which Mr. Ludlow had proposed that Trade societies should guarantee the credit of Co-operative undertakings.

might be the better plan, but it would take too long to persuade the members of trade societies to accept it; and, in the meantime, they had better adopt Mr. Ludlow's. They were not prepared, as trade societies, to go into Co-operation; they were not prepared to lend their funds for the purposes of Co-operation: and therefore, he preferred the plan suggested by Mr. Ludlow, to the very sensible one advocated by Mr. Frearson, which the trade societies were not educated enough to enable them to adopt. A trade society comprises all sorts; and though there might be in an individual society some 20 or 30 prepared to Co-operate, there were behind them some 200 or 300 unprepared. To commence an organisation to Co-operate, was impossible; and instead of waiting some 50 years until the rest of their members were educated, they had better begin as proposed by Mr. Ludlow, and in time the others would follow them. At present, the funds of their societies came into the market, and were used as trade capital by the employer class. With their labour and their capital they made a large percentage of gain; and if they (the employed) had any dispute with them, they fought them with their own money—and serve them right. So that he should prefer their going in at once on Mr. Ludlow's plan, instead of waiting until they could go in as societies. One difficulty was—that the trade societies were not legalised: when legalised, they could, through their trustees, lend their funds to Co-operative societies. In Manchester there were now several strikes in the building trades; but some of the wiser members had formed themselves into a Co-operative society, and had soon obtained work to go on with. But then they were met by the difficulty of want of capital. Being a Co-operative society, they could not get credit; and their not having capital prevented their getting it. If the trade society could lend it, they could carry on, and make better interest on their money: but the greatest benefit would be, that they would elevate their own members. But that would not be yet. Still, those societies might lend their funds to some Co-operative body, to be used in promoting Co-operative Production. The stonemasons in Manchester had commenced a society—were subscribing money, and had considered how to take care of it. It was open to them either to put it in a bank, or to lend it to some society for use in promoting Co-operative Production; and they had lent it to a Co-operative building company (the "Artizans' and General Dwellings Company, Limited"), by whom it was being used for the erection of improved dwellings—giving employment to some of their own members. Trade societies should be encouraged to lend their funds to existing Co-operative societies; and in time, he thought, they might be induced to transfer the whole of their funds from banks to societies,

which would use them for Co-operative purposes. This could be done, if they only set about it in earnest.*

Mr. Howard (who had been 20 years in France, and watched the progress of Co-operative association there) regretted that Co-operators in England had so little noticed the principle of *Partnerships en Commandite*, which had been one great cause of the success of French societies. For evidence on this, he referred to the blue book of the House of Commons, taken on Mr. Slaney's motion, which could be had for 1/3. The industrial interests of France had rallied with a surprising power; the new treaty had been adopted, and they were subjected to a competition which 20 years ago did not exist. They should avail themselves of all the powers of combination which experience had opened to them, to enable them to meet that competition, and to ensure success for their benevolent designs.

Mr. P. H. Holland believed that nothing could be permanently successful which was not beneficial to all concerned; and that while there were objections, on politico-economical grounds, to trade societies, there were no such objections to Co-operative societies. While trade societies forced up wages to an unnatural level by objectionable means, causing commercial injury, Co-operative societies had fairly raised wages. Trade societies raised wages at the cost of those for whom their work was produced. The builders' strike increased the cost of houses—one of the greatest wants of the day. Co-operation would give them better work, and cheaper houses. But trades unions did not aim at this; they only aimed to raise wages. But could they not persuade working men that it was their interest to help others as well as themselves?

Mr. Wm. Allan said the Engineers' society were not indisposed to co-operate; but they could not lend their funds to Co-operative societies. Their funds were for special purposes: they must have them safe, and at call, to use whenever they wanted them. They could not lock them up in societies of Production. He did not approve of the funds of trade societies being used for Co-operative purposes.

Mr. Lloyd Jones thought Co-operative Production should not be commenced under any kind of excitement, or in any spirit of opposition to employers. He always feared for the success of any society which had begun as the result of some strike. Co-operation had been conducted in too desultory and haphazard a manner; and societies were

* Mr. Macleod had supplied a paper on "Co-operative Production, and the Investment of the Surplus Funds of Trade, Provident, and Co-operative Societies;" but in order to economise the time of the Congress, instead of reading his paper, he spoke to the question. The paper, with one by Mr. Jas. Samuelson (of Liverpool), will be found in Appendix II.

in danger from isolation and want of common union. This must be corrected, otherwise Co-operation could not offer that security which was necessary before trade societies could lend their funds. United action was necessary, and such a committee of management as should give confidence; then they would get all the funds they required for productive purposes. For this they wanted plans and outlines prepared. Co-operation, so far as at present tried, had done its work admirably.

The Hon. Auberon Herbert thought if the trade societies would not lend their funds to others, they might be induced to use them in providing Co-operative employment for themselves. In bad times the trade societies were constantly supporting, by weekly wages, such of their members as were out of work, for doing nothing whatever. Could they not find employment for these workmen at a profit to themselves? Something might be done to aid this by periodical exhibitions. There should not be any jealousy between Co-operation and Trades Unions—they both aimed at the same object.

An adjournment took place for half-an-hour. On the Congress reassembling,

Sir John Bowring, having been requested to take the chair until the arrival of Mr. Hughes, M.P., said it was an unexpected honour; and he wished to say a few words, the result of some experience and observation. It was not necessary to go into the question of the importance of Co-operation, for Co-operation and civilisation were almost transferable words—they meant the same thing; and scarcely anything could happen to us in our individual or social capacity which was not associated with Co-operation. The individual man had not studied his own interest or duty until he learned how he could associate with and advance the interests of others. There was a sublime truth in those words of the poet—

Self-love and social are the same.

He who, from a benevolent principle, looked to the wellbeing of others, was also promoting his own interest.—The Chairman proceeded to speak of the benefits which he had observed to result from the associative principle in Denmark and in France—particularly at Mulhouse—in promoting good feeling between employers and employed, and elevating the social position of the working class. In Denmark, the courts of conciliation prevented those fierce and ruinous struggles between Capital and Labour which disgraced this country. We might also learn a lesson in domestic Co-operation from the establishments at Mulhouse. He had been struck with the economy exercised in cooking, washing, &c.; and he also noticed that a beneficial effect had been produced upon the physical condition of the people from their being better fed, clothed, educated, and housed.

Mr. J. M. Ludlow spoke of his friend Mr. Allan as representing the torism of trade societies. Perhaps he had been provoked thereto by the remarks of the previous speaker, who, from an employer's point of view, spoke of the attempts to raise wages as almost a crime;—apparently unable to see that the beating down of wages was as great a crime. Mr. Ludlow proceeded to say, that he had given up the idea proposed by Mr. Frearson, of inducing the trade societies to invest a large portion of their funds in Co-operation. Probably—as Mr. Macleod had surmised—it would take many years to persuade the majority to adopt such a course. Yet Mr. Allan, by his figures, had shown that such a plan would have been very useful. Mr. Allan had stated that in 1846 his society did not know what to do with its money. It was clear that if at that time they had invested their funds in Co-operative Production, they would now have been receiving a good return. But Mr. Allan's remarks were beside the question, because he had said that the trade societies would not lend their money; but they did lend it. The relation of a banker to his customer was simply that of a borrower to a lender; and in this sense the societies had been for years lending hundreds of thousands of pounds. To whom? Why to the moneyed class—to the capitalists, who employed that money against them. He, however, agreed with Mr. Allan that the trade societies could not afford to lock up their capital. The question, therefore, resolved itself into one of good and safe investment, and facility for withdrawal. A little Co-operation amongst these societies would enable them to realise their object without risk. It needed only that different societies should subscribe a portion of their funds, which would minimise the risk. His own plan did not go to the length of direct loans to Co-operative objects, but simply to a system of guarantees, by which the funds, under prudent management, could be employed safely and constantly, at a fair profit, and for the most part without removing the funds from their present places of investment. He believed this to be perfectly practicable, if the members of these societies would lay their shrewd heads together. Whilst political economists were very liberal in their lessons to working men, the latter had elaborated during the present century two most remarkable organisations—namely, the Co-operative stores with the Wholesale Society, and the Amalgamated Trades Societies, the machinery of which excited his increasing admiration at its simplicity and effectiveness. There was a French proverb, to the effect that nobility is an obligation; and it was just because the working class had been capable of elaborating two such organisations, that he called upon them to show further progress in the same direction. Was it not a lamentable thing that the funds of trade societies should

remain idle, except for the benefit of the very class which those funds were raised to check? On a former occasion [at Manchester] he had pointed out how trade societies could effectively promote Co-operative Production; and he wished now to suggest how Co-operation itself might enter into relations with trade societies, by affording them such a means of investment. His chief idea was the formation of a Co-operative bank, almost identical in its composition to the North of England Wholesale Society—namely, a bank which would consist solely of a federation of Co-operative societies already existing, whatever Act they were registered under. These Co-operative societies would fulfil all the functions of an ordinary bank towards the Co-operative movement; and it might be called a Banking and Credit Association. Trade societies, by simply leaving their spare capital on deposit with this Co-operative bank, would be able most efficiently to help the Co-operative cause, and utilise their funds. Co-operative societies could certainly manage banking as successfully (to say the least) as an ordinary joint-stock company; because much more is known of the associated societies than an ordinary joint-stock bank knows of its customers. He now merely threw out the idea;—there would be other opportunities of considering it in detail, should the idea find favour with the Congress.

Mr. E. O. Greening said that Mr. Allan reasonably required that the funds of the trade societies should be safely and profitably banked. It was evident no single Productive Co-operative society was in a position to give that security; because the very fact that they wanted the money, rendered them apparently less safe as recipients. They were in the position of the man and his creditor, who said to him—"If you've got the money, I don't want it; but if you hav'n't got it, I do want it very badly." Although none of the Co-operative societies could singly give the required guarantee, they might easily do so when united. In 1864, the capital of 417 Co-operative societies was £874,000. In three years this capital had doubled, making a guarantee fund of a million and a-half—most of it easily available, and a considerable portion of it in cash. This capital was increasing more rapidly than that of any other class of associations. If the whole of this capital could be used as a guarantee fund, it would be a better security than could be offered by any local bank. Mr. Greening illustrated his point by referring to the mutual guarantee of the Hamburg merchants, by which they avoided a panic during the late commercial depression. It might be asked—"How would losses be recouped?" The interest paid last year by Co-operative societies for the use of their capital, was £53,000. This money was not attracted by the 5 per cent. interest alone, but largely by the known

safety of the investments. By reducing the interest to 4 per cent., there would be an additional £10,000 ready to recoup losses. He believed that such a thing as failure in the Co-operative movement might be made impossible. Co-operative societies died in their infant struggles for want of the support which the older and stronger societies could give. At even 3 per cent. they might get a guarantee of a million and a-half of money, which would give £21,000 per annum as an accumulated fund. He was satisfied that some plan of Co-operative banking would be feasible, and that it would tend greatly to consolidate and advance the movement.

Mr. F. Wilson mentioned a case in point—of a society that wanted to borrow money on a property they had purchased, and which might be more advantageously done through a Co-operative than through an ordinary bank.

Mr. William Nuttall (Manchester) expressed his surprise at the doubt cast upon the credit of the Co-operative societies by one who claimed to be an old Co-operator. Mr. Allan had said that the trades had no capital to spare. Had any Co-operative society asked them for capital? Co-operative societies had plenty of capital of their own. In Oldham, the Co-operative societies had plenty of money to spare—one had £7,000, the other £12,000 in the bank. They were going to build a cotton mill, a corn mill, and cottages. But what were the trades doing? They ought not to talk of lending capital to the stores, but of asking the stores to lend to them, to enable them to carry out works of Co-operative manufacturing. Let them see workmen's associations for productive purposes, headed by men in whom they had confidence, and then the stores could lend them money. They were doing that already. The stores at Oldham had lent money to the Sun Mill at Oldham. The members of the trades unions must strive to do something for themselves. Nothing seemed to him more easy than to organise a Co-operative bank, which should be formed by a federation of societies, very much as they had formed the Wholesale Society. The only question was—Had they a sufficient amount of capital among them for investment? Then they wanted simply an extension of the Wholesale to make a bank succeed, and men in whom they could have confidence to head it.

Mr. Alfred A. Walton was certain the trade societies would not invest their funds in Co-operative production or banking, until they could obtain similar advantages to those they at present possessed. They would have to be assured of their safety, and they would require them always accessible. Do that, and the difficulties would be at once removed. He liked the plans proposed by Mr. Ludlow. He was sorry to see trade societies give away such large sums yearly in the shape of donation money to those of their members who were

unemployed. They must remember that they made noble exertions to support them, and practically levied upon themselves a voluntary poor rate to keep their unemployed members from the parish. But while maintaining them, why not find them re-productive employment? Why not employ their members out of work at workshops of their own, at an advantage to their funds which would astonish them? The system of banking and credit suggested, would meet the wants of trade societies. He had been endeavouring to found Co-operative building companies in some of the large towns, but had only succeeded in Liverpool. In others, they had languished from want of capital.

Mr. Lamport approached the question from the employers' point of view. He did not believe the interests of employer and employed to be opposed. He liked the principle of Industrial Partnerships, under which the employer invested his capital, and exercised his supervising skill, and the workman gave his labour—all as partners, and in behalf of a common interest. He believed they were being undersold in foreign markets by the action of the trades unions. He cordially approved of the principles of Co-operation, so far as they did not run counter to the principles of political economy.

Mr. John Holmes (of Leeds) thought we should make more progress by educating the masses, than by trying to push on the masses without education. Then Co-operation would grow of itself. It was not maintained that the interests of Capital and Labour were not identical, but that the interests of Capital and Labour were not identical under present relations.

Mr. Charles Murray (of the Mutual Land and Emigration Company, Limited, London) believed that the members of trade societies were as anxious for progress as other people. But they must have their funds safe, and always at command for their own purposes. They had made one mistake in allowing others to become their bankers. He knew a trade society which had £13,000, upon which it had made in one year a net profit of £100! The working classes must take into their own hands the management of their own funds. It was like some people who, every Saturday, asked some benevolent "uncle" to take care of their property;—with the difference that if the one might be necessity, the other would be stupidity. They might even go further, and reform the currency. He complained of the painful effects of the money panics upon the working classes, which they could prevent by becoming their own bankers.

Mr. Burns (Highbury—a member of the Society of Amalgamated Engineers) said that some societies had made a great mistake. They had locked up their funds from their own use. If the laws of trade societies stood in the way, he hoped they would be improved,

so as to give the facilities for adopting the measures which had been suggested. He would guarantee, on behalf of the Co-operative society he represented, that they would do business with a Co-operative bank, if started. They could not deal with the Wholesale on account of distance, and the greater cost of carriage of goods.

Mr. Whittaker (Bacup) believed the key to successful Co-operation was to start low enough. He was not in favour of borrowing money. They had expanded as business had increased, and had now a capital of £40,000. If a Co-operative bank were started, would they lend money? and if so, what about the security they would have for their investments? They once had locked up in a safe at their store £7,000 for 12 months. They were now building houses for themselves;—thus both giving employment to labour, and using their capital. They had also built mills, in which they were to some extent employing themselves.

Mr. Lloyd Jones stated that Bacup furnished an instance of the necessity for Co-operative banking. A cotton mill there was working at great disadvantage from want of capital. He knew of an advance of £500 which had been made by a private gentleman, to enable them to work to advantage. That advance ought to have been made, after proper inquiry, by a Co-operative bank.

Mr. R. Newton (London Framemakers and Gilders) said there were immense difficulties in the way of trade societies opening workshops, and employing their own members. They should promote Co-operation as Co-operators, by forming societies for the purpose; and if they could persuade the trade societies to lend them capital, so much the better. His own society was still struggling; but they had largely extended their business, and were not likely to give way. They had started with a small capital; but they could not start an engineer's shop in the same way.

Mr. Mitchell (Rochdale) said that in starting the grocery store, they had generally two things at hand, which were essential elements to success—capital and custom. But in Production, if they managed to get the capital, they had the customer to seek.

At the suggestion of several speakers, the discussion was adjourned to the following morning, at ten o'clock.



Social Evening Meeting.

An invitation was given to the members of the Congress to refreshments and a social meeting, at the London Artizans' Club and Institute (73, Newman-street, Oxford-street), of which the Rev. H. Solly is chairman, and an energetic promoter. The club offers to its members the conveniences of refreshment rooms, library and reading room, conversation and lecture rooms, and other advantages. Mr. F. Wilson entertained those present by an explanation of his novel design for the floor of a Co-operative Hall, or the union of the trades. Later in the evening Mr. Hughes entered the room, and was introduced by Mr. Solly, who stated the question which had been under the consideration of the Congress—the proposed application of the funds of trade societies for promoting Co-operative purposes—as one of some interest for the members of this union.

Mr. Holmes (Leeds) spoke at length on some of the fallacies of our competitive commercial system; entered into the question of supply and demand—under-production and over-production—and maintained that it was the capitalist, and not the labourer, who had raised the price of production, and was driving away the trade of the country; made iron dearer, deranged the money market, and put all sorts of things out of order.

Mr. E. T. Craig enlarged on the evils of competition; objected to the supposition that a Co-operative world—like a competitive world—would over-produce for itself; and condemned the present currency.

Mr. Parker made the practical suggestion that during want of employment, those out of employ in different trades, instead of receiving such wages as their trade society can offer them for doing nothing, should be engaged in producing goods for each other.

Mr. F. Wilson urged the adoption of a labour exchange, labour notes, and a labour market.

Mr. Thos. Hughes, M.P., said it did seem to him very absurd to see on one side of the street a number of tailors receiving money from their club, and doing nothing for it, and on the other side a lot of chairmakers or shoemakers in a similar condition of forced idleness. It was reasonable to ask why these men—who were able to work, willing to work, and who wanted the work which each other produced—should not arrange to do it, and to make chairs, shoes, and coats for each other. And that problem they hoped to solve by Co-operation; and he thought they seemed

something nearer its solution. Trade societies should start factories of their own, or lend their funds to those who would start them, that they might sooner come at the arrangement of these things for their mutual benefit:—though there were at present many difficulties in the way of their forming workshops of their own. Some such plan had been tried 20 years ago in Suffolk, and had not succeeded. But he was still looking for the establishment of societies of production, whose educational character would be of the greatest value and advantage to their members. The time too might come when the fluctuations of trade would be understood and foreseen. But, in spite of all difficulties in the way, he had still great hope, and for three reasons:—

(1) From the establishment of Courts of Conciliation. These courts had been in operation in Nottingham for three years, and during their existence no serious dispute had occurred. (2) The formation of Industrial Partnerships; and (3) Productive Associations. Industrial Partnerships had been very successful, and he believed them to be capable of adoption in every branch of trade. It had been said that the workmen would divide the gains, but would shirk the losses. But when they bore so much for each other, sacrificed so much in strikes, why should they doubt their making the much less sacrifices which even bad times would require in an Industrial Partnership? And such had been found to be the case.

Mr. P. Graham stated that the fluctuations and derangements of trade were not the fault of the masters, but were caused by speculators, who, with little capital of their own, could borrow, perhaps, ten times as much from banks which encouraged them, to the great injury of trade, and, in the end, to the ruin of the speculator. There were difficulties which he hoped would be removed in the way of adopting the Industrial Partnership arrangement for the division of profits. He expressed the deep interest he took in the subject.

M. Morier explained the working of the Banks founded in Germany by Herr Schulze-Delitzsch. It was curious that while in England Co-operation had been worked out by the artisan class, in Germany it had been thought out and applied by the speculative philosopher. He explained the different theories of the origin of capital, and the unlimited liability which was the security of these banks.

Second Day, Tuesday, June 1.

Mr. A. J. Mundella, M.P., took the chair at ten o'clock on Tuesday, June 1; and in opening the proceedings, said—that what he had done in the Co-operative direction, had been chiefly in connection with societies of Consumption. No one would rejoice more than himself if Productive Co-operation could be brought into activity. Yesterday the question was discussed of trades unions—as to how far they could be got to aid in this work. He did not know of any more important question at this moment; and he hoped that as masters and men arrived at some better mode of adjusting the rates of labour, the House of Commons would give protection to the funds of unions, with perfect freedom for their investment and outlay. When that took place, there was a hope that trades unions, instead of wasting their funds in disastrous strikes, would invest them in such a way that they would fructify for the benefit of the members and society at large. He hoped to see this problem solved—How trades unions, instead of giving donations to their members from their funds, might employ those funds usefully during periods of want of work. He was quite sure that in many businesses it might be done; perhaps not in all trades; but there might, at any rate, be a system of interchange between union and union, for the advantage of all. The shoemakers might better be making shoes for the tailors, and the tailors making clothes for the shoemakers, than that they should be receiving 8/- or 10/- a-week during bad times, and walk the streets in idleness. He had done what he could to reconcile the conflicting claims of masters and workmen; and this Congress was a proof of the progress which had been made in the right direction, while it gave promise that we should ultimately solve this important question—and, in fact, were not far now from its solution. If the employers would co-operate in this movement, a much better understanding would result between masters and workmen; and instead of the trades unions wasting their capital by fighting their employers, both parties would unite to solve this great question, and prevent the misery and pauperism which disgraced our age and country.

Mr. Pare said he had a letter to read from a lady, whom all would revere for her great kindness—Miss Florence Nightingale. The committee had invited several ladies who take an interest in this question; amongst them, Miss Florence Nightingale, who replied:—

London, May 29, 1869.

Sir,—I beg to acknowledge your note of May 10-25, enclosing some details about the "Co-operative Congress," which I have only just received—it having been to Hampstead and Highgate, and everywhere where I am not. In reply to your request, I beg to state that I should be most glad to render any aid in my power to your Co-operative Congress, in whose objects I am deeply interested; but as it will have begun before you can receive this, I should wish, before giving my name (as you desire), to see what course is taken after the meeting. You kindly invite me to attend the Congress. I am entirely a prisoner to my room from illness, which gives me no reprieve; and overwhelmed with business, which never leaves me ten minutes' leisure. I can therefore only add my regret at the impossibility of my being present at what will be so interesting. That I have received your note of invitation too late to think of contributing a paper, must be my apology for not answering your last request. Pray, believe me, sir, with the most earnest wishes for the progress in success and wisdom of Co-operative principles, your ever faithful servant,

Florence Nightingale.

Will: Pare, Esq.

The discussion on Trades Unions, &c., was resumed.

Mr. John Watt (Mansfield) approved Mr. Ludlow's plan for a Central Co-operative Bank for receiving and employing the funds of Co-operative Societies and Trades Unions; which should (he thought) be developed out of a federation of societies.

Mr. Robert Harper (Birmingham) thought means should be taken to influence the large section of persons with whom the success of this measure would largely rest—the secretaries and officers of trade societies. A sub-committee might be deputed from the Congress to get together as large a meeting as was possible, for the purpose of putting the subject before them. If a bank were formed which would offer to trade societies security for their money, the thing would be easily done.

Mr. Geo. Drewitt (secretary of the London Operative Tailors) said their society had an interest both in trades unions and Co-operation. Without Co-operation, or Industrial Partnerships, all their unions would be unable to give them the *status* in society which they sought, under the system of competition to which they, as workmen, were subjected. He believed they (the tailors) were about the worst-paid class of skilled artisans. It was not prac-

ticable for trades unions to invest their funds in Co-operative associations. All their members were not intelligent. There were those in the ranks of the unions they would rather be without, who largely impeded their progress, who were attached to their routine, and who objected to the application of their funds to any other purposes than those for which they were subscribed. But they could not object to place their funds in a Co-operative bank. A society formed in a time of excitement, had very little root, and would be very likely to fail. He knew of one which had done so. At Greenock, during a strike, a working association had been commenced. They had no funds of their own, and borrowed from their union. At length, employment was resumed, they began to get tired, the money was not ready to be paid back, unpleasantness followed, and now, where there was once a prosperous union, the union is seriously injured, and Co-operation damaged. They must start Productive associations with the picked men out of their trades who were thorough Co-operators, and who would lead the way to success. Their own society was of this character.

Mr. Burns (Highbridge)—whose right to re-address the Congress was somewhat warmly contested—said, that he was deputed to attend that Congress from a Co-operative society largely composed of trades unionists, and who strongly supported Co-operation. He had regretted to hear the objections of the secretary of the Amalgamated Society of Engineers. He did not know a sadder sight than that of emigrants constantly leaving our shores, who were urgently needed at home; and felt strongly the prophetic truth of what Goldsmith had pictured in his "Deserted Village." He then proposed the following resolution:—

That whilst acknowledging the hindrances which exist in the constitution of trades societies, and in the special purposes for which they are established, to the employment by those societies, as separate bodies, of large sums in the formation of Co-operative establishments, this Congress nevertheless—having in view the efficient powers of action for common purposes which the trades societies habitually display in their trade councils, and the help which they so generously afford to each other in trade contests—would impress upon them the expediency of entering upon some joint plan or plans of action for the furtherance, both directly and indirectly, of Co-operation, whether generally or in their respective trades.

Mr. Isaiah Lee (Oldham) seconded the resolution. There must be no rivalry between trades unions and Co-operation. Trades unionists had been accused of ignoring political economy: but he wished to know if the masters had acted in accordance with the laws of political economy in reducing the wages of their workmen? The workmen, in their unions, had taken the best means they

had according to their knowledge. But they could not adopt Co-operation if their rules did not provide for it. Their own Co-operative society had wanted to build houses, but they could not do it. Now, they had altered their rules, and were building. He honoured the workmen who maintained the rights of their class. They must unite their societies and their members to accomplish given objects, and they would accomplish much more than they had yet done. If the trades societies would alter their rules, and bring the knowledge they possessed to form workshops, they could employ their own members out of work, use their spare capital, and improve their funds. They had started an Insurance company; they were now trying for a Bank. If they would remember the amount of money they had in the stores throughout the country, and the much larger amount which could be obtained if they had use for it, they would see they had that which would make a bank succeed. What they wanted was a federated movement, which should command the confidence of the separate societies, as they commanded that of their own members.

Mr. Pare inquired if Mr. Allan would have any objection to deposit moneys in a bank which should use those moneys for Co-operative purposes, and offered to them the required safety and accessibility?—Mr. Allan replied that to this there would be no objection.

Mr. Blatchley (of the London Co-operative Printers' Trade Society) said their members were favourable to Co-operation, but could not invest their funds in Co-operative societies, though they would be glad to support a Co-operative bank.

Mr. Alfred Penney (delegate from Kidderminster) said their society had been some years in accumulating about £500, and were very anxious to have it securely invested. Some of them had thought of starting a Co-operative workshop, from which their more timid members had shrunk; and they had sent him to that Congress to learn its deliberations on that subject. They would be able to invest it to their advantage in the proposed Co-operative bank.

Mr. Abm. Greenwood, Rochdale (delegate from the North of England Wholesale Society) said that in promoting Co-operation, the difficulty was not in finding good investments, nor in finding money to invest, but in finding the confidence which should carry any plan to a successful issue. It was hard to get Co-operators to go thoroughly and heartily into any scheme; but without that, they could not carry out any scheme. They also suffered from insufficient knowledge. If trades unions had failed, it was because they had not done what they might have done to elevate their own members, and because their sympathies had not gone beyond their own class.

Mr. Frearson, in replying to the several speakers, said:—

I am glad that the Congress has taken such deep interest in the subject selected for discussion; but I was very much surprised to hear some of the objections to the application of Co-operation to Trades Unions, made by gentlemen who profess to be real Co-operators. One gentleman objected to my statement that the interests of the employers and employed are at present opposed. This is my argument, namely—Under the present system (which I call the Anti-Co-operative system), the interests of masters and their workmen are not identical, and never can be made to be so. If this were not a fact, I ask the gentleman to answer for himself how it was that Messrs. Briggs and Son were at war with their men for years when their interests were separate? Why did the men strike? Was it not because they wanted from their employers what they were not able or willing to give? Why were they opposed to each other if their interests were the same? Then their interests were antagonistic, and any two principles which are antagonistic to each other, cannot at the same time be identical. I was very sorry to hear several gentlemen whom I highly respect, old Co-operators, who had so little confidence in the principles which they advocate, as to say that the trades unionists are not prepared or intelligent enough to adopt the Co-operative system in its entirety as I suggest. They said that they required to be educated before they could work out the system. Now, I believe that there is not one in this assembly or out of it that is a greater advocate than myself for working men to be thoroughly and rationally educated; but I think there is too much stress put upon this. They might require a little Co-operative education. But take the most illiterate workman that the Engineers have in their union, who is a sober, steady, good workman, if he is able to retain his situation under an employer in the old system, what would there be in the Co-operative system to prevent him doing the same? He would then only be required to do his work, and conduct himself properly; and surely in the Co-operative system the chances would be greatly in his favour. I think it rests more with the leaders in the Engineers' union, than with the thousands who are less informed. There is a sufficient number among them intelligent enough to commence and conduct an engineering business; and perhaps if my proposition were fully and distinctly developed in detail, they would be inclined to be in favour of my scheme. And I should be happy to do this in their trade periodical, if they would favour me with space for the purpose. I will suppose, for the sake of illustration, that the Engineers are disposed to employ a portion of their capital for the purpose I have named, and to adopt the legal mode suggested; when the deed was satisfactorily prepared, and the business set in motion,—how would the arrangements of the union workmen differ from those of private firms under the present system?

In the present system the workmen engage individually with their employers for mere wages, but they partake of no portion of the profits they create. They all really co-operate for their employer, and he gains the advantages

of the principle of Co-operation; but they do not derive the least advantage from the practice of Co-operation, but on the contrary, it works against their interests even more than their capital does by lending it to bankers. But in the Co-operative system, the workmen would be paid wages according to merit, and they would obtain the whole of the profits, which would be divided among them in proportion to the amount of their wages. The difference in the two systems would be immense. The new system would inspire in all a feeling of satisfaction, and a determination to do as much work with as little waste as possible. It would be to the interest of all to work together in harmony; for we all know the power of this principle even under existing arrangements. Only make it clear to a man that what he has to do will turn out mostly to his own advantage, and you have done all that is needful to be done; and where is the man in the Engineers' union, however illiterate, whose vision would be so obtuse as not to see this? I say then that it only requires the arrangements to be made and to commence, and it will be found that the most ignorant man in the Engineers' union will be able to do his duty far better in the Co-operative system than in this. But Mr. Allan said that his society had no surplus capital either to lend or apply to Co-operative purposes. This statement I think was made from—I won't say his Conservative point of view—but from his Tory standpoint. I tell you what, gentlemen—I have not been a member of a trades union for many years without knowing where the power of its machinery lies. It rests much with the leaders. If we could only get Mr. Allan on our side, nine-tenths of the difficulty would be overcome;—then he would very soon see his way to recommend the system to his brethren.

The Chairman, in summing up the discussion, said—I think friend Pearson has hardly done justice to the trades unions, or to Mr. Allan. I understand their position quite well. At present, they require their funds to be immediately available for the payment of their members; and what they naturally fear is—such a lock-up of their funds as would prevent them at any moment meeting the demands made by their members. They pledge themselves, if a member is sick or out of work, to allow him so much a-week; and if he dies, to give so much to his wife. Now, they must meet these demands, else they would cease to be solvent. If they engaged in trade, and had not funds to meet demands, they would lose the credit of their members. It seems to me that the difficulty might be met by the trades unions and Co-operative societies uniting their funds in a Bank. Mr. Allan's society paid last year £109,000 to their members, without a farthing of it going in strikes. Now, that is a grand fact! That money goes to assist working men to maintain their independency when out of work. Mr. Allan's society has ordinarily in hand £100,000. Where is this money? Scattered all over the country, in the hands of bankers, and yielding from $1\frac{1}{2}$ to $2\frac{1}{2}$ per cent. When this £100,000

is drawn out, commission has to be paid. Now it seems to me that they could adapt the Co-operative principle to the founding of a bank with great advantage to themselves. I can conceive of no bank that would have so good a constituency—that is, so safe a class of clients—as the Co-operative bank. If this £100,000 were in a Co-operative bank, all that is now paid for commission would be divided in the shape of profit; and the interest would certainly be not less than 5 per cent. It would be a very badly managed bank if it did not pay more than 5 per cent. Some of the London banking companies pay 15 to 20 per cent.; and a Co-operative bank would be almost certain to pay 10 per cent. Suppose it paid only 5 or 6 per cent.—Mr. Allan's funds would be increased by £3,000 or £4,000 a-year, to be re-distributed in benefits. I only name his society because it stands foremost; and if this were done with one society, the other societies would gladly follow. I pledge my word as a business man, that such a Co-operative bank, with proper guarantees, would be as safe as any bank in England. Thus, while the unions cannot afford to lock-up their funds, they can pass them into a Co-operative bank, they can draw them out, they can get a larger interest, they can save their commission, and be better off at the end of the year. Therefore, it appears to me that in this way the trades unions and the Co-operative societies might unite for their mutual benefit, and thus extend Co-operation throughout the land. I hope the carrying of a resolution will result, by this time next year, in Mr. Allan's society receiving £3,000 or £4,000 more from the funds of his society; and further, that these funds will be helping to maintain many working men who are now out of employ.

The resolution was adopted unanimously.

The next subject was—"The best Means of making Co-operative Societies mutually helpful—*c. g.*,

(a) By bringing the productions of Co-operative societies into the Co-operative and general markets."

The following Paper was read by Mr. Nuttall:—

The North of England
Co-operative Wholesale Society,
Limited,
Balloon-street, Withy Grove, Manchester.

Early Efforts.

In giving a short outline of the origin and progress of this society, it is perhaps well that we should briefly refer to previous attempts to organise the purchasing power of the Co-operative body. The Central Co-operative Agency, established in London about 17 years ago, was an earnest endeavour on the part of a few old and tried friends of the

movement to unite the societies then existing, and enable them to purchase pure articles to better advantage. The societies whom it was intended to serve had not felt the necessity for united effort, and all that could be done *for* them was of no avail: it required to be done *by* them. The attempt was made too far from the centre of the Co-operative movement, rendering it impossible for the stores to assist in its formation. There is but little sympathy in trade, and it would require no little of that commodity to ensure success to a business undertaking established 200 miles away from the great bulk of its customers: hence occurred another failure, entailing great loss, and inflicting most serious disappointment on its promoters.

Rochdale Pioneers.

About the same time the Rochdale Pioneers established a wholesale department in connection with their society, with the view of supplying the stores in the surrounding towns and villages; but it met with very little support. An attempt was made to infuse new life into it, by calling a delegate meeting in Rochdale, in the year 1856, to consider what steps could be taken to render it acceptable to them. The following propositions were submitted to the meeting, upon which resolutions were passed, viz.:—

1st. Is a Wholesale establishment necessary? and is Rochdale the most convenient locality for it?

Both of these were answered in the affirmative.

2nd. Are the various societies prepared to assist the Rochdale Society in establishing one on a separate and independent basis, similar to the Corn Mill Society, advancing a proportionate share per member of the capital necessary?

The answer to this was—that it would be better on a separate basis, but they could come to no understanding how the capital could be subscribed.

Rochdale Corn Mill.

While, however, this effort was being made, and failed, we must not overlook another effort in the same town which did not fail, viz.—the Rochdale Corn Mill. This society was also established by the Rochdale Pioneers, provision being made for other stores to become members through their representatives, who were entitled to attend the general meetings, and were eligible for directors. After a time this society received a fair support from many surrounding towns and villages, and has for many years been a great success. One essential difference between the constitution of this society and the North of England society, is—that while the former admits individuals as members and purchasers, the latter confines its operations exclusively to stores.

North of England Society.

Nothing further transpired towards the formation of a Wholesale society for the supply of groceries and provisions, until four years after; when, on the third Sunday in August, 1860, a few friends from Rochdale, Oldham, and Middleton met in a barn belonging to a Co-operative Farm at Jumbo, near Oldham, at which the necessity for a General Depot was again discussed, the proposition being

introduced by one of the present servants of the Wholesale society, and supported by the late William Cooper. Mr. Marcroft, of Oldham, urged that a federation of stores was impossible until the Act of Parliament was amended so as to enable societies to invest capital in their corporate name in other similarly-constituted societies. Cooper characteristically replied that "no Act of Parliament could stop them, if they only did what was 'reet.'" The majority, however, ruled that the Act must be amended, and that societies must have power to hold land and buildings. An adjournment to Oldham was agreed to, when Mr. Cooper was appointed secretary, and instructed to invite Co-operative societies to appoint delegates, and have a Conference in Rochdale. This conference met, and discussed the "general depôt" question, the "investment of capital in societies' names," the "acquisition and disposal of land and other property," "limited liability," and the "power to appropriate a part of the profits to educational purposes." At this conference a permanent committee was appointed, with instructions to transact such business as they thought fit, and make preparations for another Conference to be held in Manchester on Christmas-day, 1860, when it was agreed to prepare a bill for Parliament, embodying all the questions to which reference has been made. With the assistance of several old friends in London, this bill ultimately became law, and thus cleared the way for the Wholesale Society.

After the appointment of this committee, and during the preparation and passing of the bill, which extended over a couple of years, much discussion took place through the columns of the *Co-operator*, and at several Co-operative Conferences, as to whether the proposed Wholesale society should be merely an office to receive and execute orders without keeping stock, or whether a warehouse should be built, large stocks kept, the society chartering its own ships, importing its own goods, and even growing in this and other countries the articles they consume, and dividing profits on purchases.

However, immediately after the legal difficulties were overcome, a Conference of delegates was held at Oldham on Christmas-day, 1862, when Mr. A. Greenwood, the president of the Conference Committee, read a paper in which he proposed a plan for a Wholesale Agency, as follows:—"That the good policy of dealing with and for ready money be strictly adhered to in all transactions of the agency." "That none but Co-operative stores should be allowed to join the agency." "That each store joining the agency should pledge itself to deal exclusively with the agency in those articles which it supplied." "That a small percentage be charged each store as commission on the amount of business done through the agency." "That the necessary amount of capital for carrying on the agency should be raised *pro rata* on the number of members belonging to the stores joining the agency." "That stores pay their own carriage."

After a lengthy discussion, the following resolution was passed:—"That in the opinion of this meeting it is desirable to establish a Wholesale agency or depôt."

To carry this resolution into effect, a special Conference was held in Manchester, on Good-Friday, 1863, at which it was unanimously resolved to "establish a Wholesale Co-operative Agency and Depôt Society." The Conference Committee was authorised to prepare rules and submit them to a future meeting. These rules were duly certified by the Registrar, and the society enrolled by August, 1863. Another delegate meeting was held in Manchester, in October of the same year, when directors were appointed, all of whom were members of the Conference Committee.

Its Constitution.

This society is a federation of retail Co-operative stores, and registered under the Industrial and Provident Societies Act. Each store holds in its own name one share for each of its members, increasing them annually according to their Return to the Registrar. The shares are five shillings each, transferable, and may, where a member desires, be paid up at once. One shilling per share is the only call yet made, or contemplated. Interest at 5 per cent. per annum is allowed, and, along with dividend on purchases, retained until the shares are fully paid. The accounts are balanced quarterly, profits ascertained and credited to each store in proportion to the amount of its purchases—the non-members receiving half dividend. General meetings are held quarterly, to which each society is entitled to appoint one representative, and an additional one for every 200 members belonging to it, from whom and by whom the directors and other officers are elected. The business of the society is confined to registered Co-operative societies—members or non-members—and, like the great bulk of them, is conducted on ready-money principles. Business was commenced in March, 1864, in a small warehouse in Cooper-street, Manchester, 44 societies having up to that period taken 14,000 shares. The basis of the society was to buy to order, rather than for stock. Its limited capital, and the small number of members purchasing from it, at first scarcely justified any other step. However, it was soon found indispensable to keep a stock, buying when the officers thought the markets were favourable.

From a calculation made, 1½d. in the £. was thought to be sufficient to cover all distributive expenses. The committee therefore decided to charge this sum as a commission, as it was considered unwise to put on a further profit merely for the purpose of being returned at stated periods. A more equitable mode of doing business than this can scarcely be conceived: for instance—if a society bought tea from the Wholesale, upon which a good profit is usually realised, or if it bought sugar, which either in wholesale or retail trade barely pays expenses, it would on this principle in both cases be charged the cost prices, with commission added. On the other hand—if the trade prices were charged, a large profit would be put on tea, while sugar might be sold at a loss, and the profit on the former would at the quarter's end be divided with the purchasers of the latter. Societies were quite willing to buy from the Wholesale at cost price, paying this slight commission when markets rose; but if, on the

other hand, markets fell, and the Wholesale had a stock, they soon forgot the advantages they had previously secured, and ran to other houses with their trade, thus leaving their own stock to deteriorate in value still further, and consequently increasing their own losses. However, before the close of the first half-year, the directors were compelled to adopt the usual trade practice of selling at current market rates, and divide the profits periodically among the purchasers. One cannot but regret that so just a mode of doing business, which ensured each member the whole benefits arising from its purchases, had to be abandoned; more especially when we find the chief cause in the shortsightedness of Co-operative servants. The same policy, more than any other, had compelled the Rochdale Pioneers to discontinue their wholesale department; and more recently still has such a policy been carried out at the Rochdale Corn Mill, when a short time ago it was made known that no dividend was likely for some time to be realised, in consequence of a heavy fall in prices having taken place, the society having a large stock on hand. I know of no society now in which an attempt is made to credit each member with the full profits realised from his purchases, except the Agricultural and Horticultural Association: let us hope this principle may fare better with it than with the Wholesale.

Like other similar associations, the Wholesale has had its difficulties, some arising outside, and others inside its ranks. One of them was a strong feeling on the part of buyers for large societies, that they ought to be supplied at a lower price than small ones, in consequence of their being able to buy for less elsewhere by taking large quantities. The answer to this was—that already they were supplied cheaper than they could be elsewhere, partly owing to the custom of the small stores being combined, and enabling the buyers for the Wholesale to purchase for less than if buying only for the large stores. Happily this feeling was confined to buyers, and had only to become known and ventilated at a general meeting of delegates, when it was all but unanimously condemned, even by their own societies, and the following resolution carried:—"That one price be charged to every society alike for goods sold at the same time." Another improvement was suggested by our late friend William Cooper, viz.—that more frequent meetings of the society should take place, with the view of uniting the societies through their delegates more closely than before; and that the accounts should be closed quarterly instead of half-yearly, so as to enable the stores to take credit quarterly for the profits due from the Wholesale, as almost all the stores supplied by it balance their accounts quarterly. A resolution was carried by 153 against 3 to accept this suggestion. It is satisfactory to know that few (if any) who were then opposed to the change, would be so now.

In order that the basis of representation on the Directory should be as wide and include as many districts as practicable, the number of directors had to be increased from 7 to 9—thus tending to increase the interest taken by societies in the Wholesale.

Another question in time arose, which created some feeling between the large and small societies, viz.—a suggested change in the basis of representation at general meetings. The custom had been to allow each society delegates and votes proportionate to the number of its members, for each of whom it was obliged to subscribe one share: for instance—a society of 1,000 members and 1,000 shares had five delegates, while a society of 2,000 members and shares had ten delegates. Strange to say, it was found that the purchases of the smallest stores were less per delegate than of the large ones; and hence no reason could be shown, either on the score of individuals, capital, or purchases, why a change was desirable. However, it was strongly maintained that a society of 7,000 members ought to have no more delegates nor voting power than one of 70. Although this proposition never received the support of a majority, yet the vote came very nearly equal. This was one of those kind of disputes better let alone, as its only tendency was to create disunion and jealousy among the societies, when there was no occasion.

In one important matter the Wholesale society has been strong enough to set aside the pernicious customs of trade, and adopt a more sensible one of its own, viz.—to abolish the principle of charging a price for its goods, and then deducting a discount, which caused endless misunderstanding, labour, and liability to err on both sides. All goods have been reduced in price, and are now charged net.

Causes of Success.

The success of the Wholesale society is due to many causes, amongst which may be enumerated the following:—The necessity for such an organisation was felt to exist, not only by those who cared to work for a principle, but by those whom it was especially intended to serve; the rapid progress of existing societies, and the birth about this time of so many new ones rendered it still more necessary. It was promoted by almost all Co-operators of the North of England who had ever taken an interest in advocating Co-operation, or been actively engaged in Co-operative work during the previous 20 years.

All societies, through their delegates, were invited to take part in its formation: hence, when established, both societies and delegates felt it to be a child of their own creation; and whatever faults might exist, they were readily excused—each delegate who had taken part in advocating its claims feeling himself bound to exert all his influence on its behalf. The law enabled its members to protect their capital, by its being invested in their corporate names. The fullest possible accounts have always been rendered, even to the extent of giving the capital, trade, and profits of each society, members or non-members. The greatest liberty to complain has not only been allowed, but on some occasions even invited. A grumbling meeting is much more healthy and productive of good, than one where the delegates are kept strictly to order, and allowed to go away dissatisfied with not having expressed their views. In fact, one of its earliest promoters has obtained the renown of being the

most successful grumbler among the North of England Co-operators.

The delegates, in whose hands sole power is invested, have their conduct keenly scrutinised by the societies they represent, on tendering their report. Each society incurred liability in proportion to its members; those best able to bear the greatest burden and render the most assistance, were called upon to do so. Unlike many other companies, what little expense was incurred in its formation, was entirely cleared off during the first half-year. Being established in Manchester, its buyers are enabled to receive immediate intelligence of changes in the markets, home and foreign, and take advantage thereof; and being near the centre of the Co-operative movement—where, within a radius of 20 miles, an annual business of £500,000 is transacted—much expense in carriage is avoided.

Advantages.

It enables the smallest retail stores to buy the best quality of goods, and at as cheap a rate as the largest, whose experience has in some societies been very dearly bought. The knowledge possessed by many a buyer has been acquired through the honest mode of dealing adopted by the Wholesale: hence it is the means of preventing failure, and facilitating success. No society need keep large stocks, unless it chooses to speculate, because it can buy small quantities as cheaply as large; interest on capital is saved, less warehouse room is required, and fewer losses by goods becoming unsaleable incurred. Instead of societies sending their managers to market, as formerly, the greater part of the business is conducted by letter. In fact, whatever benefits the retail stores confer on their members, by supplying pure and cheap articles of daily consumption, this federation aims at conferring on retail stores.

Financial Progress.

At the end of the first half-year, 59 societies had become members, and, with 38 non-members, had transacted a business of £46,000, with a capital of £2,400. It was not until twelve months after the society commenced business, that non-members were allowed to participate in the profits, when they were allowed half dividends, on condition that they expressed their desire to become members, leaving their profits to pay up their shares. In October, 1867, a resolution was passed, allowing non-members half dividends unconditionally. The business of the society, up to the spring of 1866, had increased at a remarkable speed—the sales for the year 1864 being £94,000; for the year 1865, £143,000; and for the year 1866, £211,000;—showing an increase in the second year over the first of £49,000, and of the third year over the second of £68,000. This large increase had necessitated a removal from the Cooper-street premises, to larger ones in Cannon-street; and again, in June, 1865, to our late premises in Dantzic-street.

In October, 1866, Mr. Ashworth—who for 20 years had been the buyer and manager of the Rochdale Pioneers—was engaged as additional buyer for this society; about which

time it was also found necessary to open a butter branch in Tipperary, and engage a buyer specially to supply our customers with this article. Our success in this branch of trade has been very great. During last year, our Tipperary buyer alone shipped 17,000 firkins. We also opened another branch at Kilmallock last year, the buyer of which shipped 9,000 firkins. Our total imports from Ireland during the past year amount to 35,000 firkins, including 9,000 from Cork, and represented the value of £130,000. The sales for the year 1867 reached £306,000, being an increase over the previous year of £95,000; while again, in the year just ended, the sales amounted to £423,000, showing a further increase of £117,000. The number of shares taken up (each share representing an individual member of some Co-operative society) were—in 1864, 21,000; 1865, 26,000; 1866, 46,000; 1867, 61,000; 1868, 75,000.

On analysing the last balance sheet issued, we find the following results:—That 191 societies were members, and entitled to send 489 representatives to the general meetings: 265 of these attended the last meeting, and represented 107 societies. In addition to this, there were 53 societies doing business as non-members: forming a total of 244. Of this number—Lancashire claims 96, Yorkshire 53, Derbyshire 19, Cumberland 13, Cheshire and Warwick 11 each, Durham, Northumberland, Stafford, and Nottingham, 4 each; while the remaining 25 are scattered over the other counties in England and Wales.

The management have strong faith in the future, as evidenced by an arrangement they have lately concluded with their bankers to transact a business of £1,000,000 annually. By this arrangement, every facility is afforded to societies (at a small cost) to pay their accounts through the numerous branches and agents of the Manchester and Liverpool District Bank. It also gives equal facilities to tradesmen to receive theirs; and a great saving in time and expenses is effected. It appears probable it will ultimately become the medium through which the products of Co-operative Manufacturing companies will be distributed to the consumer, and through which the profit on such produce will be paid to the purchaser; thus tending to settle the question of what part of profits belongs to the capitalist, and what part to the consumer.

It is impossible to calculate the good done by this federation, even to those societies which scarcely ever support it; because, being the largest house in the trade, and selling at nominal profits, it has had an important influence in reducing the prices of other wholesale houses; and with the new warehouse—which has been erected at a cost of £9,000—ample capital, a large business, and experienced buyers, it has attained a position of which Co-operators may feel proud.

In the absence of Dr. John Watts (Manchester), the writer, the following Paper was read by Mr. Pare, hon. secretary:—

Co-operation :

How to Secure Safe Progress therein.

A short time ago I congratulated the members of a Co-operative store upon having overturned the old proverb, that "a man cannot have his cake and eat it," because they had subscribed about £16,000 of capital, and after having withdrawn £16,000 in dividends, they had still £16,000 left in buildings and stock. The result had been very simply achieved. They had only drawn in dividends what, apart from the operations of the store, the shopkeeper would have consumed; and the society was £16,000 richer, simply by these people purchasing at the store instead of at retail shops.

But hitherto Co-operative stores have been for the most part records of isolated effort; and it is time that Co-operation should mean more than that 200 or 300 persons mutually agree to be their own shopkeepers. The existence of the Wholesale store at Manchester, and its management for about one-half per cent. upon its turnover, is a great fact, and pregnant with valuable instruction. It ought to suggest a general scheme of Co-operative effort, which may be outlined as follows:—

1. Retail stores in every town and every considerable village, the management expenses of which ought not to exceed 5 per cent. upon the turnover. When the expenses of management of Co-operative stores get to 8 or 9 per cent., large shops become successful rivals, and the stores are useful only to the very poor, who have been used to book debts at the hucksters.

2. Wholesale grocery stores, held in shares by a federation of retail stores. Such stores ought to exist in London, Birmingham, Leeds, Manchester, Liverpool, Bristol, Yarmouth, Hull, Plymouth, Portsmouth, &c. Retail stores (except in cases where the purchases are so large as to make freight a consideration) ought to make all their purchases from the wholesale stores; and if the supplies were unsatisfactory, they should deal with it in conference, as a question of management. Such a system would put an end (so far as grocery is concerned) to all bribery of buyers.

3. Corn mills, wherever there is a federation of stores sufficient to conduct them profitably; but they, like the wholesale stores, should be held by the retail stores, in shares proportioned to the members in each store. The mills would thus, like the stores, be certain of their customers.

4. Wholesale drapery stores, to be held by the retail stores in the same manner; and confining themselves (in the first instance) to goods of ordinary consumption, and not liable to damage easily. They should at first seek to act as agents for manufacturers, advancing money on consignments, rather than making absolute purchases. None of the wholesale stores should give credit to the retail stores beyond the amount of the paid-up capital of the customer in each instance, and they would thus secure the commission on sales without much fear of loss.

5. Individual retail stores might sell coals, and other heavy goods, on commission; and a

federation of stores might work a colliery—or, as an intermediate step, purchase boats, and carts, and horses, and become coal dealers.

6. If manufactures be entered upon, they should, for the present, be of the simplest and most necessary kinds; and the manufactory should be held like the wholesale stores, in shares, by a federation of retail stores. At one of the federal conferences—or perhaps at each of them—the delegates from each store should be prepared with a schedule of such store's annual consumption of various articles, so that the delegates might judge when the consumption of any given article, or class of articles, would justify them in entering on its manufacture. The individual workers (although probably members of some of the stores owning the manufactory) would be so far removed as to feel that they could not in any way interfere with the management; and it would be a question for the delegates alone to decide, whether or not the workers should depend wholly on market wages, or share in the profits realised. The manufactured goods should all be passed through the wholesale stores.

7. Members of retail stores should be encouraged to leave their dividends to accumulate; and it would perhaps not be amiss, in the constitution of any new store, to take power to appropriate instead of distributing profits. Retail stores should be advised not to lend money—or at least only temporarily; but after having subscribed to the wholesale stores and corn mills in their proper proportion, they should be encouraged—

- a. To erect buildings for their own trading purposes.

- b. To erect dwellings, or to buy dwellings, for their members. These latter could either be sold after the manner of building societies to the members, or held permanently by the society, and let to the members for proper rentals. The property would be better in the hands of the store generally, as then the removal of a member from any locality would simply be a withdrawal from the store, involving no sale, and therefore the sacrifice of no property.

This scheme is probably as much as is at present practicable; but a very large store might either rent or purchase a pasture farm, and so supply its own milk, fresh butter, beef, and pork; or a federation of stores, owning a corn mill, might rent or purchase a farm, and grow its own wheat, oats, &c. The grand idea is—to make the consumers of produce their own producers, or to get them as near to that position as possible; and thus, by converting the greater portion of middlemen into producers, either to vastly increase wealth, or to lessen toil. These economical arrangements, together with the educational facilities supplied by the stores, would make it quite possible for the working classes generally to become as intelligent as any other class in society; and they would also enable every industrious, persevering, and careful man, to cease from manual toil at 50 years of age.

And how are all these things to be accomplished? At present the retail stores do not probably exceed 800; the wholesale stores held

by federation are at present in the singular number; the Co-operative manufactories are none—for the joint-stock companies where a proportion of the shares happen to be at present held by working men, do not deserve the name. The Partnerships of Industry, such as Briggs' Colliery Co., approach more nearly to what is desirable; but the final form of industry seems to be—that the consumers and producers shall be the same persons, exchanges taking place only between one federation and another. It seems to me, that if the members or even the managers of existing stores were agreed upon the method, no other propaganda would be needed than a simple tract, setting forth what Co-operation has accomplished, and of what it is capable. If every person interested in progress would, from time to time, send this tract to his acquaintances in every locality where stores do not at present exist, the work would be easily and cheaply done, and could not fail to produce speedy and permanent fruit.

The discussion was opened by Mr. F. Wilson, who said he believed there was a great deal of misunderstanding on the part of the public as to the amount of Co-operative produce existing in the country; and the misunderstanding attached itself even to Co-operators, whom he advised to visit the Exhibition then being held at 337, Strand. He thought that much benefit would result from making the Wholesale Society the medium of distributing Co-operative goods amongst the people, through the societies. What these societies had to contend with, was—in the first place, the want of a market; and in the second place, the opposition of tradesmen.

Mr. Lloyd Jones, as one of the first of those who had travelled and laboured for the establishment of a Wholesale society in connection with Co-operation, desired to state that such a centre was the true way of making the principle a thorough success—not simply in distribution, but in production. Distributive Co-operation, he regarded as simply the organisation of consumption; or, in other words, bringing custom, and then supplying it with the material required. If they simply bought what the members had pre-arranged to take—allowing a fair profit—there could not possibly be such a thing as failure in Co-operation. The Wholesale Co-operative society of Manchester did not supply its customers with all the articles needed for daily consumption, but confined its stock to a limited number of articles. Again—it was suicidal buying in the outside market things that were made by Co-operators, and could be obtained of them if some practical plan were organised.

Mr. Hill (of London) said it had not been shown that Co-operation could make much headway in the rural districts. The working classes generally were in great ignorance regarding the benefits of Co-operative societies, and therefore looked upon them with suspicion.

That suspicion might, however, be removed by a larger dissemination of knowledge on the subject.

After a few words from the Rev. H. Solly, Mr. Thomas Slater (a member from Bury) said that the Manchester Wholesale Society had not been such a success as Mr. Nuttall had indicated in his paper; nor was it generally supported by the Co-operative stores throughout the country. As an instance, he might mention that his own society—which was doing business to the amount of £200,000 per annum—had no business connection with the Wholesale society at all; and he could name other societies similarly situated. The reason was—that small societies tried to underbuy the central store; and in doing so, did not take into consideration the quality of the article. Large numbers of the members of Co-operative societies were not prepared to deal with the Manchester agency at all; indeed, when he had proposed a resolution for his own society to deal with it, £1,400 were in three days withdrawn by the members. He had expected that all buyers would resort to the central market, but such had by no means been the case. The Wholesale Society in Manchester ought to be doing double its present business.

Mr. McInnes (editor of the *Scottish Co-operator*) said that there was a Wholesale agency existing in Glasgow similar to that at Manchester. The Co-operators in the north began it, with 27 affiliated societies, and with a capital of £900. Their next step was to show other societies the advantages of buying from the Wholesale society. The latter course he strongly recommended the Manchester store to adopt. It had been very successful in the case of the one at Glasgow, and would be so doubtless in that at Manchester. One great obstacle to the success of a central store, was—the antipathy of the large societies to purchase from it. Then, again, the managers of such societies, and sometimes the purchasing committees, were often difficult to satisfy, as they allowed themselves to be influenced by travellers for wholesale houses. However, the fact remained—that unless the central stores could convince the small societies that great benefits were to be derived from dealing with them, he feared that this stage of Co-operation would not make much progress.

Mr. Macleod (of the Manchester Artizans' and Labourers' Dwellings Company) said that far from the Manchester Wholesale store being a failure, it had been an unparalleled success. True, it had not obtained the support of all the Co-operative societies—though to expect it would be insane; but still he attributed what had been called the "failure" of the Wholesale store, to the large number of members of Co-operative societies who had joined from other motives than that of a love for Co-operation. They had joined for the purpose of getting a dividend. Their great object was the 1/8 in

the £. The old Co-operators set out with a principle to follow; but it was not so now. He was convinced that from the moment they departed from the great principle—"the good of the community in preference to the good of the individual"—from that moment they failed, and ought to fail. He thought that they ought to be more careful to ascertain the motives which induce persons to join the societies. Many of the societies went to the lowest market, irrespective of other considerations, instead of going to the Wholesale centre, and thereby had not a regard to the true interests of Co-operation. He might mention that his society—which was one more especially connected with the building interest—wanted plate locks for doors, and rather than go to the competitive manufacturer (and although considerably inconvenienced thereby), they had given their orders to some struggling Co-operative workers in Wolverhampton. By such means Co-operators could best prove themselves true to their great principles, and would be tending to develop the highest principle of Co-operation, viz.—that of production.

The Chairman—in allusion to what had fallen from the last speaker—said that even if individuals joined Co-operative societies from sordid motives—even if the 1/8 in the £. were the object—yet those societies would be doing good. He had seen how the application of the principle had relieved working men from the slavery of debt, had accustomed them to purchase with ready money, and to save. Again, as to societies buying in cheaper markets than the Co-operative centres, he could not see how it could be done, provided they were properly managed. No one should be disappointed if the members did not go as far as their leaders.

Mr. Oliver Byrne* (who gave in his name as "The Mathematician") said—as long as interest was charged for money, Co-operation would come to nothing. The Jew and the Quaker could always put down Co-operation, as long as the latter began with paying interest on money. Who ever knew a Jew or a Quaker to do a stroke of work?

The Rev. W. N. Molesworth (Rochdale) complained that one of the delegates had not fully stated his objection to the Wholesale Society. At the same time, Co-operators ought not to wish the Wholesale society to have anything like a monopoly, but that the societies should be free to go to it or not, as they thought proper. It would, in his opinion, be injurious to the Wholesale society itself were it thought to be an absolute duty of every society to go to it; but still he thought many societies were to be blamed for not giving it that support which it was entitled to expect from Co-operators generally.

Mr. Butcher (delegate from Banbury) said he represented a society established some three

years ago, in an agricultural district; and the success which had attended it proved that agricultural labourers were beginning to know the meaning of Co-operation, and were quite ready to take it up, if put before them in the right way; for this reason—that they had been and were much ground down by debt. Mr. Butcher proceeded to give some interesting statistics relative to his society, stating that it at first consisted of 30 or 40 members, but that at the present time there were 607 members, and business was done every week to the extent of £180. About one-half of the members were agricultural labourers, earning only from 11/- to 12/- per week. The Wholesale society had been of great advantage to them; only he hoped that under its new arrangement the orders sent to it would be more promptly executed. The great *desideratum* in such a society as that he represented, was a central place, where everything the society required could be had. The existence of such a place would save both time and expense.

Mr. John Holmes—contrasting the position of Co-operation in 1852 with what it is at present—drew a very decided inference in favour of the latter. The law had been against them; it was now on their side. They had formerly only been able to sell to members; now they had power to trade with the general public. He earnestly trusted that the gentlemen before him would act the part of missionaries, in striving to disseminate a knowledge of the advantages of Co-operation. After some further remarks,

Mr. Webster (Rochdale Card Manufacturing Society) said that the Manchester Wholesale Society was not a Productive, but simply a Distributive society, as were also the large societies. The latter could not be anything like so successful, under the present state of things, in dealing with the former, as they could with the merchant who devoted his time and attention to one particular manufacture. It might be a good thing for small societies to buy of the "Wholesale;" but large societies doing so, would labour under the disadvantage of not going to the principal market.

Mr. Borrowman (of the Wholesale society at Glasgow) recommended a uniform balance sheet for the whole of the Co-operative societies; and that persons having the interests of Co-operation at heart, would divest themselves of all transcendental ideas in regard to principle. There was no such thing as principle, if it did not make the individual better than he was before he had it.

Mr. Lee (Oldham) gave a variety of particulars relative to the Co-operative society in that town.

Mr. Walker (Lenton, near Nottingham)—a gentleman of whom it was afterwards stated by the Chairman (Mr. Mundella) that from being a working man he had become a manufacturer, employing 600 persons, and member

* Not a delegate or invited member of the Congress.

of the Nottingham Board of Arbitration—made an interesting speech, in which he related how, during the American war, he and others having been deputed from Nottingham to carry relief to Lancashire, had found there Co-operation, and brought it back with them ; so that after his return he, with the assistance of some other persons, had been enabled to establish a Co-operative society in his district, with six branches. These stores had been successful, simply because of good management and great business application.

Mr. Wilkinson (delegate from Ladywood, Birmingham) moved a resolution which, in its amended form, was as follows :—

In the opinion of this Congress, it is exceedingly desirable that the committee of the Wholesale Society consider the practicability of supplying the various Co-operative stores with the productions of the Co-operative Manufacturing Societies; and that the delegates present bring before the notice of the societies they represent the desirability of purchasing the whole of such goods from the Co-operative Manufacturing Societies, and (if so arranged) through the medium of the Wholesale Agency.

Mr. Harris seconded the motion, and it was adopted.

The Chairman and others having observed that the question before the Congress seemed to concern exclusively Productive societies, whilst the discussion was chiefly turning on Co-operative consumption,

Mr. Ludlow said that there had been an omission in the programme, in so far as the subject of the formation of wholesale societies was concerned. Remarking that there were really three Wholesale societies already in existence—the North of England, the Scottish, and one of which he saw the representative before him (the Metropolitan and Home Counties Purchasing Association)—he could nevertheless testify that a great want was felt by the south of England of such a powerful wholesale agency as that which existed in the north. Reverting, however, to the question formally before them, Mr. Ludlow advocated the establishment of bazaars and warehouses—in London especially—where the goods of Co-operative societies might be exhibited and sold. These, he thought, might well be established by an association, on the principle of the North of England Co-operative Wholesale Society—*i.e.*, a federation of societies, each society being entitled and invited to take shares, in proportion to the number of its members. Expenses should be defrayed by means of a space-rent, and a commission on sales and orders; the profits of which might be divided (after payment of 5 per cent. interest on capital) amongst the societies members of the association, in proportion to their dealings with it, both, he thought, as sellers and as purchasers.

The Hon. Auberon Herbert was of opinion that it would not be desirable for a retail Co-operative society to purchase its goods from

a wholesale one, if those goods were offered to it at a price above the market price : such a course would not be good for any of the parties concerned. Those Co-operative societies which did not purchase the goods of the wholesale agency, should endeavour to ascertain the reason, and supply the remedy.

Mr. Burns (Highbridge) complained that at Highbridge they were shut out from dealing with the Wholesale society—not by the price or quality of their goods, but by the inequality of rates of carriage upon railways. They had a rate on goods with Bristol of 8/- per ton, but with Manchester of 30/-. They were thus compelled to buy at Bristol, in order to compete with other traders.

Mr. Joseph Croucher (Richmond) said they had in the south of England a Wholesale Co-operative society, as well as in the north. The Metropolitan and Home Counties Purchasing Association was started in 1863, but was yet of only moderate dimensions—being a federation of only about 10 stores, and dealing only with some 30 or 40. They could not get on in the south of England without a good wholesale society ; and one of their difficulties was—that in the south they had not the capital necessary for its development, and that a Co-operative bank would be of advantage to them. By means of a good Wholesale society, they could find customers for the manufactured articles of productive societies. They could then apply their capital to the foundation of mills, market gardens &c., of whose productions the Co-operative Wholesale would find the means of disposing.

Mr. Whittaker (Bacup) thought it would be of great advantage to the wholesale movement to have dépôts, with samples exhibited, in each of the large towns ; and the plan might be commenced by the Wholesale society at Manchester. On each sample should be stated where and by whom the article was produced, price according to quantity taken, and the cost of carriage to Manchester. They must start economically, and feel their way. He believed the Wholesale Society had conferred immense benefit on Co-operation. One great thing in Co-operation was to get the poorest classes into the way of saving.

Mr. Ireland (from the Metropolitan and Home Counties Purchasing Association) said theirs could not show the great results which had appeared in the north ; but he was satisfied that it was only by a federation of societies that they could attain success in Co-operation, whether Distributive or Industrial. He thought a federation should confine itself to certain branches of trade, and not attempt to manage too many different ones ; and that they had better found separate federations for different branches. London must ultimately be the best centre of the movement.

Mr. Robt. Harper (Birmingham) thought they had yet to find out the best means of

distributing the goods of Co-operative Manufacturing societies to the exterior world. The productions of these societies required a much larger market than that afforded by the Co-operators of these kingdoms. He saw in the bank they were now projecting, the germ of much success for the Co-operative movement. He had seen failure in isolated cases, which the existence of that bank would in future prevent. It would be formed with the aggregate funds of the societies, and be backed by the personal security of all their members. The Bazaar of Co-operative productions now exhibiting was excellent; but it ought to have many branches to add to its efficiency. There would always be a ready-money market for the goods produced by Co-operative societies, at a little under market price. The master must have 10 per cent. upon transactions; the workman could do it for less than that, and therefore could do business. The skill of the south of England and of the north must yet be combined for the purpose of conducting other businesses which the movement might require, and which individual societies could not enter upon singly with advantage, or without risk to themselves.

In the temporary absence of Mr. Mundella, the Rev. W. N. Molesworth occupied the chair.

Mr. Nuttall replied—that he was satisfied if he had succeeded in giving the good features of their society; and had left it to others to point out the defects which still needed to be supplied. He defended the giving interest on capital. The celebrated grumbler was not present, and was the only Co-operator who had replied objecting to the proposed Congress. They had found it to answer better to pay half dividend to non-members. They were now proposing to take a lien on share or loan capital of any defaulting society. Cottages might be better in the hands of the society, than of the members; but it was better to be able to provide for both cases. Though the "Sun Mill" was not properly a Co-operative society, it was owned by working men; and had at least the good effect of letting them know what profits were being made; and they were of course satisfied that if *they* could not make profits, the masters could not. He quite agreed with the suggestion of uniform balance sheets. The committee were determined to extend their operations, and were now considering in what direction it should be. They would deal in drapery, shoes, and other goods, as soon as they found the societies ready; but there would be no speculation. It was not wise to establish too many separate federations or branch societies, which multiplied expense, as each must have its cost for rents, buyers, &c.; but it might soon be necessary to have a branch or agent in London. He had with him their price list, and samples of all goods; and he was prepared to challenge every society as to the quality and price of those articles,

He was certain they could not buy better: if they could, they wanted to know it. The expenses of conducting their business did not amount to 1½d. in the £.

The following resolutions—moved by Mr. Ludlow, and seconded by Mr. Frearson—were then adopted:—

1. That it is expedient to establish, in London and elsewhere, as may be found convenient, bazaars, warehouses, and other establishments, for the exhibition and sale of the productions of Co-operative societies, whether registered under the Industrial and Provident Societies Acts, or the Joint-Stock Companies Act; but no society to be deemed Co-operative which divides profits exclusively on capital.

2. That such bazaars, warehouses, &c., be established either through the medium of the North of England Co-operative Wholesale or other existing Co-operative society, or by means of a separate association, formed under the Industrial and Provident Societies Act, and as nearly as possible on the model of the North of England Wholesale Society.

Mr. Pare explained that the subject in the programme lettered *b*—namely, "Guarantee, Banking, and Labour Exchange"—would be deferred for the present, and *c* and *d* would be now taken together—namely, "The best means of making Co-operative societies mutually helpful—(*c*) By applying Co-operation to Agriculture and Horticulture; (*d*) By combining Manufactures with Agriculture and Horticulture."

Col. Henry Clinton, of Earlsbury Park, near Royston, Herts., read the following paper on

Associated Homes.

To measure life, learn thou betimes, and know
Toward solid good what leads the nearest way.

Milton.

The nearest way toward solid good leads through the grand problem which has now for many years presented itself for solution, namely—How, with the least possible injury to existing interests, the quantity of discomfort throughout the world may, to the utmost possible degree, be *minimised*; in other words—How the quantity of comfort throughout the world may, to the utmost possible degree, be *maximised*. The principal objects to be aimed at are—four things to be *minimised*:—

1. Avoidable *repulsive* employment.
2. Avoidable discomfort.
3. Avoidable disease.
4. Avoidable death.

The chief *desideratum* is, of course, the least possible tyranny; that is to say—the utmost possible liberty. Now, it has been said that many of the hitherto endeavours of the philanthropist-philosophers towards the amelioration, generally, of the condition of the human race, have had a tendency, at the best, to lead us into the mere slavery of a "moral" prison. "*Des Menschen Wille ist sein Himmelreich*" is a German saying, which may be said to assert that "for a man to have his own (reasonable) way, is his 'heaven.'" Mr. Josiah Warren, again, assures us that the rights of the

"sovereignty of every individual" are infeasible. Now, between the "throne" upon earth of the American philosopher, and the "heaven" upon earth of the German, surely the reasonable wishes of every individual to secure fair consideration towards herself, or towards himself, respectively, are in little danger of being left unnoticed and disregarded when the rules and regulations are made which associations will have to lay down for themselves for the guidance and for the welfare of their respective associated members.

"As the homes, so the people." Accordingly, as society is enabled to raise the standard of character (in respect of comfort) of the homes of the people—those homes whereunto each individual of either sex may look forward with pleasure in returning, after the due performance, respectively, of her or of his duty—so, in the same ratio, does society raise the standard of character (in respect of moral worth) of each individual, with the most beneficial results to those individuals, and to the nation to which they belong. It is a very lamentable fact, that a large proportion of the entire population of the globe is "*nomad*"—without a fixed home, and that a large proportion thereof is likely to continue exposed for ever to the injurious influences incidental to such a state of things, until the question of societarian organisation shall have been appropriately investigated, and the work of societarian arrangement shall have been earnestly and energetically taken in hand. If this evil is probed sufficiently deep, it will be found that whatever possible improvements in any other of our public or private arrangements might be effected, all such improvements would prove to be incomplete (as measures remedial to the said evil), unless they were supplemented by an almost entire change in our residential arrangements.

It is a sad sight to look upon all the efforts which here and there from time to time have been made towards the improvement of a certain class of dwelling-houses—the various lodging-house schemes, now of several years' birth and growth—to contemplate the many instances of princely munificence, and the benevolent intentions of so many noble-minded persons; and, at the same time, to know how enormous has been the waste of means, and of worthy endeavours, in bringing about very inadequate results, in almost all these cases. The reason why this has been so, is—because the designers of these structures have ignored entirely much of all that has been written from time to time, for so many years, by the deeply-thinking advocates of an improved arrangement of societarian dwellings. These gentlemen, before they set about building their houses, their villages, and their towns, ought really to devote some time, at least, to the consideration of the two main questions—Where shall we build? How shall we build? Unmindful of the age in which they are living; unmindful of the needs of the present age, and of all the probable needs of future ages; unmindful of all that has been written by Fourier, by Owen, by Thompson, by Buckingham, and by many other intelligent and earnest writers—these gentlemen-designers still persist

in going on building houses which are neither placed in the situation, nor constructed in the manner, respectively, calculated so that, at some time or other, there might be brought home to the hearths of the future inhabitants of those houses, the utmost possible comfort at the least possible cost.

In 1858, in a short paper, headed "The Condition of England Question," a few words were published in reference to the two questions mentioned above. In that paper the first proposal was made on the subject of "Associated Homes." May it be permitted that I should again, in the strongest terms, urge upon the consideration of all persons, in behalf of the interests of all alike, the absolute necessity there is that such "associated homes" should, without any further loss of precious time, be established? The principle upon which they are proposed to be constructed and arranged, is the principle of endeavouring to secure the utmost possible fair treatment for every individual in-dweller in such "associated homes." No one of us would at all relish the idea of being reduced to the necessity of undertaking domestic service, or any other (if possible) more repulsive employment, in order to obtain the means of living. Therefore, obeying the universal law—"Do unto others that which ye would that others should do unto you"—our duty is clear, viz.:—We must arrange society in such a manner as to *minimise* the amount of domestic service, and of all other repulsive work.

In Christendom, slavery has been abolished; in Christendom, menial servicedom must be *minimised*. But the object of lessening the quantity of domestic service required by the needs of society, cannot be attained so long as people continue to dwell in houses built in isolated situations in the country, as they are now. Hence, it becomes needful that joint-stock companies of limited liability should be formed, for the purpose of working and cultivating the earth, in each locality, in the best possible manner, with the view of rendering the general interests of the said companies respectively secure, and of assisting the efforts of their own shareholders towards their own wellbeing. Let us suppose such companies formed, and land purchased, or taken on lease, with eventual right of purchase. Each company would occupy a district, embracing so many acres. Manufacturing would go hand-in-hand with farming, in a greater or less degree, according to the produce accruing *on* the surface or *below* the surface of the soil in each locality, and accordingly as convenience might determine. The place for the manufacture of every kind of production likely to be required by, or to be profitable to, the company, would be selected near the centre of the district. In the centre of the district would be placed all the buildings required for the offices belonging to the general management of the company, and for any other purpose except residence. In the centre of the district would also be placed all those stores of provisions of every description which would be likely to be needed in order to keep the stores of the surrounding villages and dwelling-places supplied with whatever articles the inhabitants

of those villages might be likely to require for immediate consumption. At a convenient distance from the central buildings, and at convenient distances from each other, so many of such villages, dwelling-places, or "Associated Homes," would be distributed round the centre of the district.

The population might be so many souls, who would, as far as possible, be left to make their own choice with reference to the group of "Associated Homes" in which, according to their own individual inclinations, they might prefer to reside. The shareholders would find employment of various kinds in agriculture, and in manufactures, &c., in the service of the company, within the district. In return for work done by them, they would receive from the company fair remuneration, such as each individual had agreed to work for; while they would have the advantage of being supplied by the company with all the requisites and with all the luxuries of life (according to the requirements and means of each individual) at the lowest possible charge. They would also have the benefit of whatever protection it might be in the power of the company to provide, in the way of preventing evil, and of affording every possible safeguard to person and to property, to health and to rights, general and individual.

According to the number of able-bodied men, a volunteer corps would be formed, and would be so instructed as to be prepared to act as riflemen or as artillerymen, mounted or not mounted, accordingly as circumstances might require. Tramways would convey field labourers and manufacturers to and from their respective places of occupation at all times; all returning each evening to their respective homes, in their separate dwelling-places. It will be seen that the relative arrangement proposed for these separate dwelling-places would tend towards reversing the condition of life, so long vainly sought after hitherto; instead of "the country in the town" (the to-all-eternity impossible "*Rus in Urbe*" of the Romans), people would gain for themselves the quite practicable "town in the country" ("*Urbs in Rure*"); and they would at last find themselves arrived at that condition of life in which the greatest attainable degree of comfort might most easily be secured for every individual indweller of such Associated Homes.

P.S.—This reading can have no better *imprimatur* than a quotation from the very remarkable work published by Dr. Travis in 1865, on "Moral Freedom Reconciled with Causation." At page 180 he says:—

Co-operation is evidently the destined means, when wisely ordered, for the realisation in practice of the great principle of Christ's teaching—that we should "do to others in all things as we would have others do to us." . . . How such societies may be established and conducted in the most advantageous manner, is a question of deep interest. . . . The problem to be solved in these Co-operative villages will be—to exclude, as far as possible, the causes of moral and material evil; and to combine together, as far as practicable, in the best possible manner, the causes of moral and material good.

Dr. Travis read the following paper on the

Higher Aims of Co-operation, and How to Realise them.

Co-operation, fully understood, is not merely a system by which societies of working men or others become their own shopkeepers, and share among them the profits which are commonly obtained by private shopkeepers; or by which the workmen are allowed to have shares to a small amount in the establishments in which they are employed; or by which companies of working men are enabled to carry on their ordinary business without depending upon masters, and so forth, in the midst of a system of competition. These are all extremely useful. But their chief use is—that they are preparatory means to open the eyes of the public to the necessity for a far higher development of Co-operation, by which the working classes, and all others, will be enabled to emancipate themselves from the competitive system, with all its injustice, fraud, and oppression, and consequent wide-spread poverty, and almost universal fear of poverty. These are natural effects of a system of competition, or of divided and opposing interests. And this system is the natural effect of man's instinctive desire for the happiness of self, while that desire is not regulated by the higher feelings of his nature, and by the knowledge of the causes of moral and material good and evil.

The higher aim of Co-operation is the emancipation of mankind from this system. What, then, are the means by which this result is to be effected? Man must obtain the requisite knowledge; and, through this knowledge, the requisite development and direction of the moral elements of his nature, and, through these, of those other parts of his nature which, when they are not so directed, are not improperly called his lower propensities—although when they are rightly subordinated to his moral and intellectual nature they will be as excellent of their kind, as essential for the attainment of a highly elevated and happy existence, as any other faculties with which he has been endowed. All other needful means exist already in immense superfluity, either actually or potentially.

Those who are the first to acquire the needful information must proceed, under the guidance of this knowledge, and of the feelings of justice, benevolence, honesty, truthfulness, and conscientiousness, enlightened by this knowledge, to form new arrangements for production and distribution, and education. For this purpose they must establish self-supporting agricultural, horticultural, and manufacturing villages, in which production and distribution shall be arranged in the most beneficial manner possible for all, and with perfect justice to all; instead of being conducted in the blundering and excessively injurious and unjust manner in which they are carried on in the competitive world. And they must combine with the new arrangements for production and distribution, a wise system of education, by which the

children within these villages may be really well educated — physically, intellectually, morally, and practically—instead of being educated, as all have hitherto been, upon an erroneous principle, and being thus caused to acquire, to a very great extent, most injurious habits of thought, and feeling, and action.

Within the proposed arrangements, demand and supply will no longer be dependent upon the "laws" of a competitive system of buying and selling, by which thousands are reduced to pauperism, or to a miserably limited subsistence, in the midst of an immense superfluity of means to provide abundantly for all, and by those very means. In the present competitive system the producer, and every one who desires to be employed, must be able to sell his productions or his services, before he can make them available for the supply of his various requirements. And as, owing to the immense powers of production which now exist, there are always many more persons who are desirous to sell, whether productions or services, than are required to supply the demand which exists for that which they have to sell, there are always many candidates for employment who are hustled aside in the "market," either partially or entirely, and who are thus compelled to experience most miserable privations, in the midst of plenty and of immensely superabundant means to enable all to obtain a comfortable and secured subsistence. And the demand for productions and services is lessened, again, by the limited ability to buy in those whose ability to sell, and by selling to obtain the means of buying, is thus restricted. And by the competition of sellers with each other, even those who are able to sell are compelled to do so in many cases for a miserably low remuneration—a disadvantage for which they are very poorly compensated by being able to buy some things of others (so far as they are able to buy them at all) at a similarly restricted cost. All this is a necessary consequence of the competitive system, and it can only be very slightly and partially palliated by Co-operative Stores and Industrial Partnerships, &c. It is dreadful to contemplate the misery and the moral degradation which are thus produced, both in those who are the chief sufferers in this competing strife, and in those who are most successful or fortunate. And this is only one among many prolific sources of moral and physical evil which arise from the competitive constitution of society—or rather from the want of knowledge and the erroneous ideas from which this system proceeds.

But all these evils have hitherto been inevitable. For no one could be aware that this miserable state of things may be remedied, and in fact it could not be remedied, while the means were unknown by which alone a different arrangement of human affairs can be organised, and by which the character of man may be humanised, and cordial union between man and man may thus be made practicable. And it is only now that the knowledge of these means is dawning upon the world.

In the proposed Co-operative villages, supply will be systematically adapted to demand, and demand will be determined by the extent of the reasonable wants of the population of the

villages, and by the means which they will possess for satisfying these wants. This demand being ascertained beforehand, the supply of it will be obtained by the adoption of the best practicable means to produce co-operatively, or to procure by equitable exchanges, the things or results which are required. Employment will thus be provided for all, under the most favourable circumstances which can be combined, with the knowledge and means at command; and what is thus co-operatively obtained will be co-operatively possessed and distributed, so that all will be enabled to enjoy the products of the united industry of all, without being dependent—except to a limited extent, and in the early stages of the change—upon an outer market restricted by competitive supply and demand. The evils which arise from the restriction of employment, and consequently of remuneration, by their dependence upon a market from which many are excluded through the facility with which it may always be over-supplied—a restriction by which poverty is caused to be produced by the superabundance of the means to provide wealth for all—will thus be avoided.

When these villages become numerous they will exchange with each other upon principles of perfect justice, and without any attempt to deceive. So far as this they will from the first be independent of the competitive markets. But while they have to pay interest for the capital invested in the construction of their arrangements, and have other external expenses to meet, connected with the competitive world, and in order to obtain the means to purchase objects which they cannot themselves produce, they will have to dispose of a portion of their productions in the outer markets, at the current market prices. But here they will have great advantages, in consequence of the excellence of their productions, and of the absence of all attempts to impose in any way upon purchasers. And with the great facilities which they will possess for production, and for providing useful employment for all their members, they will have no difficulty in producing far more than will be required for all these purposes.

When society has acquired the knowledge which will enable it to form these arrangements to the extent to which they may be desired, a new world will gradually arise in the midst of the old. And as it is developed, the old world will in due time be superseded most beneficially for all. And this change may be commenced as soon as a sufficient number of persons, with the necessary means at their command, can be enabled to acquire the requisite knowledge, and by acquiring this knowledge can be induced to subscribe the funds which will be needed to establish an example of a self-supporting Co-operative village, constructed and conducted under the guidance and influence of the knowledge of the causes of good and evil to man, and with enlightened benevolence, justice, honesty, and sentiment of duty.

Without this knowledge—especially in the persons who are to direct the proceedings within these villages—no such establishments can ever be brought into successful operation. For except under the influence and guidance of this knowledge, the Co-operative spirit can never be

developed; and the sagacity which will be requisite, in conjunction with this spirit, to conduct the proceedings of such establishments harmoniously, can never be acquired. Without this knowledge, consistently applied to practice, endless causes of just dissatisfaction would be permitted to exist which would be fatal to Co-operative action. But as it is not to be supposed that all would be directors within these villages, it is not requisite that all should at first be so well versed in this knowledge as to be competent to direct, any more than it is necessary that every sailor in a ship should possess the knowledge which is requisite for a captain or a minor officer. It is only within the new arrangements that the mass of the poor and unemployed, for whom, at first, they will be most needed, can be enabled, under competent guidance, to acquire the improved habits of thought and feeling and action which will constitute the Co-operative character. And it is only under the guidance and the influence of this knowledge that a really good education from birth—an education by which alone man can be thoroughly fitted for a Co-operative world—can be given to the young. It is for this reason that such an education has never yet been given, except to a limited extent by Mr. Owen at New Lanark—the only instance in which this knowledge has been practically applied to education. Such a formation of character is impossible under the influence of the ideas which now commonly prevail, and within the surroundings of the competitive world.

But we have to show to the world that what is here stated can be done. And we have to show that it can be commenced, not in the distant future, but as soon as the public can be enabled to know that it is practicable, and can be caused by this knowledge to say that it shall be commenced. When one successful example of a Co-operative Village can be seen in operation, the public will be enabled to know how immensely every one will be benefited by the extended introduction of similar arrangements; and there will be no further difficulty in obtaining the funds, and the land, &c., which will be required to multiply these establishments to any extent which may be desired. It will also be easy, when a general desire for the extension of the new arrangements has been produced, to get such modifications of existing laws as may be needed, and to obtain the necessary funds, or a large proportion of them, by means of Government Loans—the interest to be paid as rent by the occupants of the new villages; or by an issue of National Bank notes, upon the security of the property thus created.

If by good fortune we could meet with an individual, or a few individuals, possessing sufficient property to establish an example, who could be induced to investigate this subject until he or they understood it, and to become, by understanding it, intelligently desirous for the realisation of the new arrangements, and who would seek for, or endeavour to educate, a few practical persons to carry it out as managers, or to assist him or them in carrying it out, with funds provided at once for the purpose,—the process would be comparatively short. But as the wealthy classes may be slower to move in

this direction than those who experience the largest share of the evils which are produced by the competitive system, it will be best to rely upon the united exertions of the latter for the establishment of the first exemplification of the higher aims of Co-operation. And as the working classes are able to subscribe the funds to initiate this system, they will have no one but themselves to blame if the adoption of effectual means for their emancipation from the evils of the competitive system is delayed, through the present inability of the wealthy and more influential classes to understand and appreciate this most momentous subject.

A movement therefore should be commenced to enable the working classes, with the assistance of their friends of all other classes, to adopt effectual means to establish an example of a Co-operative Village as speedily as possible. And for this purpose, it seems to me, the following measures should be taken:—

1st. *A Propagandist Society should be formed.* As a foundation for practical proceedings, a society should be formed for the study of these subjects, and to adopt means to give correct information respecting them to the working classes, and to enable men of business, and men and women of superior attainments, to acquire the knowledge of these subjects which is requisite to qualify them to become suitable and efficient leaders or managers, in production, distribution, education, &c., within the new arrangements.

2nd. *A Practical Initiative Society should be formed.*—The next step should be the formation of a limited liability company, to establish the new arrangements, by the small subscriptions of a large number of persons, so as to enable the working classes to provide the funds for the practical initiation of the new order of things.

3rd. *These Societies should include all Classes of all Nations.*—These societies, though consisting chiefly of the working classes, should also consist of persons of other classes, and of all countries, who are favourable to the higher aims of Co-operation.

4th. *Initiation of the Propagandist Society.*—As all useful advocacy is dependent upon correct information, and as unity of views upon essential points is an indispensable pre-requisite for the attainment of cordial unity of action, these societies should not be initiated until some short and cheap works have been published, in which the leading principles and higher aims of Co-operation shall be explained as briefly and clearly as possible. When these works are published, men and women who assent to the statements which they contain should be invited to become members of the Propagandist Society.

5th. *Operations of this Society.*—When this society has been formed, measures should be taken to explain the subject to the public, by means of tracts, readings, lectures by properly qualified persons, &c. And frequent meetings of the members should be held for consultation and mutual improvement.

6th. *Location of the Society.*—The central seat of the society should be in London. But branches of it should be formed in provincial towns, and in foreign cities, in which a desire to aid the movement exists.

7th. *A more extended Association should be formed.*—This society should be a division of a more extended association (a "British and Foreign Co-operative League"), in which all Co-operative Trading Societies should join, for the improvement of the business arrangements of Co-operation in all its departments. The attention of the members of these societies would thus be directed to the higher aims of Co-operation; and the assistance of many of their members in carrying out these aims would be obtained.

8th. *Initiation of the Practical Society.*—It should be the business of the Propagandist Society to draw up a prospectus for the formation of the Practical Society—which may be called the "Social Co-operative Initiation Society."

I have thus briefly indicated what I understand to be the leading principles and higher aims of Co-operation, and the means by which the application of the principles to practice, and the realisation of the higher aims, are to be attained. And I think it will be obvious, when the different parts of the subject are duly considered, that if the working classes will take up the subject with well-directed earnestness and zeal, effectual measures for their deliverance from the evils of competition may be speedily commenced. If they will not, they will have to remain under the harrow of the competitive system until the required change is initiated for them by some other recipients of the knowledge by which alone it can be accomplished.

Mr. Pare (hon. sec.), in the absence of the author, read (with some curtailment) a Paper on the same subject, by Mr. Bray, of Coventry.

Organisation and Co-operation.

"All human interests, combined human endeavours, and social growths, in this world, have, at a certain stage of their development, required organisation; and work—the grandest of human interests, does now require it.—*Thomas Carlyle.*"

"This that they call 'Organisation of Labour,' is, if well understood, the problem of the whole future, for all who would in future govern men."—*Thomas Carlyle.*

"We now find all mankind heaped and huddled together, with nothing but a little carpentry or masonry between them—crammed in like salt fish in their barrel, or weltering (shall I say?) like an Egyptian pitcher of tamed vipers, each striving to get his head above the rest."—*Thomas Carlyle.*

Dr. Neil Arnott, drawing a picture of what civilisation has done for us, says:—"Every one feels that he is a member of one vast civilised society, which covers the face of the earth; and no part of the earth is indifferent to him. In England, for instance, a man of small fortune may cast his looks around him, and say with truth and exultation—'I am lodged in a house that affords me conveniences and comforts which some centuries ago even a king could not command. Ships are crossing the seas in every direction, to bring me what is useful to me from all parts of the earth. In China, men are gathering the tea-leaf for me; in America, they are planting cotton for me; in the West Indies, they are preparing my sugar

and my coffee; in Italy, they are feeding silkworms for me; in Saxony, they are shearing the sheep to make me clothing; at home, powerful steam engines are spinning and weaving for me, and making cutlery for me, and pumping the mines, that minerals useful to me may be procured. Although my patrimony was small, I have post-horses running day and night, on all the roads, to carry my correspondence; I have roads, and canals, and bridges, to bear the coal for my winter fire: nay, I have protecting fleets and armies around my happy country, to secure my enjoyments and repose. Then I have editors and printers, who daily send me an account of what is going on throughout the world, among all these people who serve me. And in a corner of my house I have books—the miracle of all my possessions, more wonderful than the wishing-cap of the Arabian tales, for they transport me instantly, not only to all places, but to all times. By my books I can conjure up before me into vivid existence all the great and good men of antiquity; and for my individual satisfaction I can make them act over again the most renowned of their exploits—the orators declaim for me, the historians recite, the poets sing; and from the equator to the pole, or from the beginning of time until now, by my books I can be where I please.' This picture is not overcharged, and might be much extended; such being God's goodness and providence that each individual of the civilised millions dwelling on the earth may have nearly the same enjoyments as if he were the single lord of all."

This at present is only true of "men of small fortune;" and the question is, whether it can ever be extended to "each individual"—whether we can give to *all* small fortunes? The *present* income of the kingdom would be sufficient for that purpose; but that income is already appropriated, and we have no wish to interfere with vested interests. Every man's labour, however, aided by machinery, if he had his fair share of what his labour was instrumental in producing, would be a small fortune to him; and as the income of the kingdom is its annual produce, that "small fortune" the workman in every department of industry will yet demand and obtain.

Society as it at present exists, is grafted on ancient barbarism, which is constantly cropping up; it is full of paradoxes and anomalies. A few of these we propose to examine.

We dig up the gold in Australia and California, only to bury it again in the cellars of the bank; 40 millions on an average in France, 20 millions here. A more barbarous system of securing convertibility cannot be conceived. Not only in an economical point of view is there the hiding away and temporary waste of so much capital, but when a medium of exchange is really wanted—the ordinary auxiliary money and bills of exchange being for a time suspended—a metallic currency is altogether inadequate; we have a money famine; and in the scramble for what little there is, the country is thrown into a panic, thousands are ruined, and the working classes everywhere thrown out of employment. If it checks unsound speculation, this method is as costly as the Chinaman's—of burning down his house to roast his pig. With a government

security, it would be the same whether the gold was in its native mountains (which belong to government), or buried in the cellars of the bank: and as to convertibility, it is not gold we want, but all that *money* will purchase. Then if any one wanted gold, let him buy it of the dealers at its market price. By the present system of converting everything into gold those dealers gain a monopoly and a monopoly price; and of course they are warm supporters of the present monetary system, which, although affecting the interests of all, has hitherto been little examined on account of the mist in which interested parties have purposely involved it.

Our system of Political Economy wants what phrenologists call a moral region. Its laws are based entirely upon selfishness: unselfish action causes as much perturbation in its system as an undiscovered planet in our solar system. Its great aim and object is Production, and not the good (*i.e.* the health, and happiness) of the producer; and it does not secure the *highest good* even to the favoured few who get the lion's share. The political economist, for "right" or "wrong," reads "tending to increase" or "tending to diminish wealth;" he seeks an ever-increasing fund for the employment of labour, when what is wanted is an ever-increasing fund for the enjoyment of leisure. He proposes to find work, not rest. We need not, therefore, be surprised to find that a small earthquake is looked upon as a blessing from Providence. After the violent earthquake last November at Porto Rico, there was a great demand for labour to restore the injured property; and the feeling among the manual labour class was (as the report of Consul Cowper shows) that "God Almighty sent the hurricanes and earthquakes for the benefit of the poor workman." The produce of the labour of a life spent in a coal-pit or mine, or in the breath of the blast of the fiery furnace, or in a cotton or woollen factory, or in grinding cutlery—is considered by the political economists a fair exchange against a life spent in raising corn or in attending upon the vine in the south of France.

Free Trade is the recognised law of political economy—to buy in the cheapest market and to sell in the dearest. With the unlimited supply of land, America is the cheapest market for agricultural produce; and if our population are willing to spend all their lives in a coal-pit, England will be the cheapest market for coal. The Americans are, however, protectionists: they say we want large towns, the hotbeds of civilisation; we want a manufacturing population and not merely an agricultural one; and for this we are willing to tax ourselves by consenting to pay a little more for manufactures made at home than for such as we could buy cheaper in a foreign market. The Americans put aside the "immutable" laws of political economy, in the interest of the nation and of a growing civilisation. And is not this true policy? Of course I am aware that no one dare mention the word protection now; and I am also aware that protection means a tax on the whole community to the amount of the duty imposed; but in the interests of a political economy which aims at the good of the workman, as well as the profit of the capitalist—are there not certain unhealthy

and repulsive occupations that ought to be protected so that the labour of the workman might be reduced to a minimum? Surely the produce of a day's work in a mine, and a day's work in raising corn in the sunny south, cannot be considered a fair exchange, and that cannot be considered a permanent system which makes no recognition of such differences. "In some trades, a man is disabled at 55 or 50. A coal-baker is considered past work at 40."—(D. Baxter.)

The present system of "unlimited competition" gives us a million paupers who are fed at the public cost; and to these may probably be added a million criminals who feed themselves at the public cost. Quételet, however, truly says—"Society prepares crime, and the guilty are only the instruments by which it is executed."

"Supply and Demand"—another imperious law of political economy—never pays a man according to what he produces; and a brass button or a ribbon going out of fashion, reduces whole towns and communities to poverty and destitution. As luxury increases, this uncertainty increases also. "We all know their periodical distresses"—(our staple industries) says Dudley Baxter. "It may be said that these were accidents. They are not mere accidents, but incidents—natural incidents of our manufacturing economy. They are sure to recur under different forms." Over-production, over-speculation, change of fashion, foreign competition, are constantly putting our workmen's means of living in danger; and the great increase of pauperism and crime, and the numbers at present out of employ, consequent on the panic and commercial disasters of 1866, are inducing some of our leading journals to doubt whether the *laissez-faire* doctrine in its extreme application is the right thing after all. At a large meeting held at Exeter Hall on the 12th April last, for the purpose of promoting emigration, Mr. Torrens, M.P. for Cambridge, declared that not hundreds or thousands, but millions must be taken off the surplus labour of the country before adequate relief can be afforded. In other words (says the *Pall Mall Gazette*), he desires that government should do for England what famine did for Ireland—that is, deliberately take a large proportion of the poorest classes, and transplant them to Canada or Australia. "If this be sound," adds the same journal, "it is certainly a most humiliating confession: it amounts to saying that the growth of commercial prosperity in the last half-century has had for its net result the production of an unparalleled mass of misery, alongside of great wealth in individual cases—a misery, indeed, so great, that nothing short of a heroic remedy will be sufficient." The truth seems to be, that our economic system has divorced one-third of the population of Great Britain from their food, and the land upon which it is grown; and it is highly probable that we shall have to bring them together again. The same system produces the same results elsewhere. In December last, Mr. David A. Wells, special commissioner of revenue to the United States, presented a report to Congress, the general purpose of which was to prove that "the rich were growing richer, and the poor poorer;" and Mr. Horace Greeley

estimated last January that there were half-a-million persons within sight of the city steeples of New York, who were hungry, destitute, and out of work. This evidence is confirmed by the report of the secretary of the New York Association for improving the condition of the poor, and by a number of manufacturers and other employers. The results of the manufacturing system are thus described in a Senate document, No. 44, January, 1869:—"A helpless crowd of workers, the oppression of low wages, inevitable poverty, and a disguised serfdom, a rich master, a poor servant, and a mean population,—such is the story of manufacturing in Old England, and such is the story of manufacturing in New England." Mr. Wells finally shows that the conclusions drawn from savings banks and insurance statistics, rather support than refute the statements which he has laid before the public. He does not discuss the condition of the West, but expresses his belief that "like causes have produced like effects" everywhere.

Mr. Dudley Baxter, in summing up his admirable and exhaustive work on our National Income, says:—"The income of England is the largest of any nation, and shows wonderful good fortune and prosperity; but we must not forget that it rests upon an unstable foundation. The turn of trade, or obstinacy and short-sightedness of our working classes, or a great naval war, may drive us from the markets of the world, and bring down our auxiliary as well as our productive industries. In our present complex civilisation, the effect of such a calamity on a large scale can hardly be imagined. We might see our national income disappear far more rapidly than it has increased; and a period of suffering among our population, of which no cotton famine or East London distress can afford an adequate idea. England's position is not that of a great landed proprietor, with an assured revenue, and only subject to an occasional loss of crops, or hostile depredations. It is that of a great merchant, who by immense skill and capital has gained the front rank, and developed an enormous commerce, but has to support an ever-increasing host of dependents. He has to encounter the risk of trade, and to face jealous rivals; and can only depend on continued good fortune, and the help of God, to maintain himself and his successors in the foremost place among the nations of the world."

Let us now glance for a moment at our National Income, and the mode in which it is distributed: it may teach us some useful lessons.

The gross national income Mr. Dudley Baxter estimates at £814,119,000. The upper and middle classes he estimates at 2,759,000, with independent incomes amounting to £489,474,000; and 3,859,000 dependent upon them—in all, 6,618,000. In this class we have nearly three persons dependent, to every two with independent incomes.

The Manual Labour Class Mr. Baxter estimates at 10,961,000, with an income of £324,645,000; and with 12,130,000 dependent upon them—in all, 23,091,000. This class is almost equally composed of earners and non-earners.

The total income of the two classes just mentioned is equal to affording £27 per annum to every man, woman, and child in the kingdom,

or if the population were divided into families of five persons, £135 a-year to each family. As the income is at present divided, one-fourth of the people possess half as much again as the other three-fourths.

Again: of the first-named class 8,500 persons have an income of £126,157,000, and 48,800 have an income of £1,000 a-year and upwards. The £100 line divides the total income into two nearly equal portions. 1,262,000 persons with £100 a-year and upwards, have a total income of £408,000,000; while 12,458,000 have £406,000,000. One-third of the total income is derived from capital; two-thirds from profit and earnings.—(Dudley Baxter.)

The real income of the kingdom, however, can only be its annual produce in Agriculture and Manufactures. The distributors of all grades and the exchangers must be sustained out of this fund. In fact, every person who does not produce, either by head or hand, must be kept out of it. The gross income of the kingdom is thus very much reduced; for a large part of the population is engaged like the two 'cute American boys, who spent the day in swapping jackets with each other, and although they had nothing to begin with, left off with a dollar apiece.

Mr. Baxter estimates the original earnings of productive income from agriculture and manufactures (the fund in which all the national income is at first received), at only £480,000,000. Partly original earnings, and partly secondhand paid out of original earnings, he estimates at £196,000,000; and the incomes of the non-productive classes, entirely second-hand, and paid out of original earnings, at £138,000,000. Here, then, we have more than a quarter of our annual income consumed by non-producers. The army, and able-bodied paupers, ought to be producers—i.e. self-supporting; and this is now beginning to be recognised. The evils arising from this great inequality in the division of property are—

1st. The unnecessary increase of non-producers in useless servants, &c.

2nd. The diversion of the industry of the country to the production of useless and even pernicious luxuries; and, as we have seen, the great fluctuation in the demand for luxuries, and all the privation by which it is accompanied. A recent writer truly says—"The consumer of luxuries, who forces the capitalist to select productive employment, is responsible for blasting so much capital with the curse of ultimate sterility."—*Contemporary Review*, July 1868.

3rd. A false style and standard of living. As political economists aim at finding work and not rest, so in our social economy we try how much we can live upon, instead of how little.

This condition of things is fostered by the example set in high places. Our Queen, as head of the State, has an annual income of £385,000, that she may keep gold sticks in waiting, lords of the stole and bed chamber, and similar court attendants. Among the consequences of this is, that our young men, not being able to keep a sufficient number of "sticks in waiting," and other things in proportion, refuse to marry, preferring snug little establishments in St. John's Wood, and worse. Our

young women, again, go over to Ritualism, and seek refuge in convents, or clamour for work (not always women's work) in the already over-stocked labour market.

"Parched corn," says Emerson, "eaten to-day that I may have roast fowl on Sunday, is a baseness; but parched corn and a house with one apartment, that I may be free of all perturbations of mind, that I may be serene and docile to what God shall speak, and girt and ready for the lowest mission of knowledge or good will, is frugality of gods and heroes." This is the opposite extreme, which, if I were obliged to choose between the two, I should certainly prefer; but probably

He that holds fast the golden mean,
And lives contentedly between
The little and the great,

is right, and has the best chance of happiness.

All our laws and institutions have tended to foster this inequality of condition—this unfair division of the joint produce of industry. If the manual labourer instead of the capitalist had made the laws, no doubt they would have been more in his favour. All power has lately been placed in the hands of the labouring classes, and what have they done with it? They have returned a Parliament of millionnaires—they have chosen the men to represent them who are the most interested in keeping things as they are—the men who have most profited by the unfair division of the products of industry. This shows that what the people most want is intelligence, and the education upon which it is based. Intelligence, and the moral power upon which alone unity, organisation, and Co-operation can be based, must precede all other great improvements in our social state.

We have thus taken a slight sketch of our proclivities—of what civilisation might give, and does give to a favoured few, and of its shortcomings as respects the many. It is much easier, however, to find fault, than to show practically how things may be mended.

What we require are liberty, health, and security—security from want, or the fear of it.

As to liberty, every one ought to be able to think, and speak, and do as he pleases, and to go where he pleases, so that in so doing he does not interfere with the equal rights of others. Our social and economic system might, if properly developed, give to each man as much liberty as if he were "the single lord of all." As Carlyle puts it—"Whoso has sixpence, is sovereign (to the length of sixpence) over all men; commands cooks to feed him, philosophers to teach him, kings to mount guard over him—to the length of sixpence."

Health. I fear, has never been taken into account in the doctrine of the political economists—of buying in the cheapest market, and selling in the dearest. The duty on corn last year was £870,000; which at 1/- a quarter would give an importation of all kinds of grain, of 17,400,000 quarters. "The average consumption of wheat is estimated at three-fourths of a quarter per head for the poorer classes, and half a quarter among the more prosperous; making up a total consumption of about 21,000,000 quarters per annum." About

one-third of this comes from abroad; so that one-third of our population are dependent upon other countries for the first necessary of life—their daily bread. This is by no means a desirable state of things. It would be much better that we should raise our own food, even if it cost us a great deal more than it does at present; because in the sweat of our brow, from labour on the land, we find health. I am satisfied that it is a false Political Economy that divorces people from the land, and puts them upon it in greater numbers than can be fed from its produce. We are in a worse position in this respect than any of the Continental nations, all of whom are in closer connection with the land, and with fewer luxuries have more of the conditions of permanent and solid happiness. "Communal institutions," the *Pall Mall Gazette* tells us (April 14, 1869), "in a certain sense, have always been the rule in Russia. The land surrounding each village is divided among the families, in proportion to the number of members (a new distribution being made every ten years); and the village, as a body, is responsible for the payment of a yearly sum to the freeholder." The idle and the drunken take advantage of this; and ignorance and a backward state of civilisation prevent in Russia, as they might do here, the full advantage of such an arrangement. The *Pall Mall Gazette* further adds:—"Since the emancipation, the exponents of the doctrines of Communism have been watching with much interest the trial of their principles among a free peasantry."

Security from poverty and want can only be obtained by people occupying as much land as will furnish them with the first necessities of life. A factory or staple industry should supply other necessities and luxuries; so that if the latter should go out of fashion, the people would not be reduced to absolute want in the necessary change. Co-operation, then, should include a farm, a factory, and a store. The profits of the producer and distributor would thus be included; and there should be no more non-productive labourers than were actually required. This would correct the great waste in our present system, and give to all the small fortune we have seen is required to procure for each "nearly the same enjoyments as if he were the single lord of all." The farm should be cultivated by skilled labour, by the aid of machinery; and by a union of small farms, the very best and most expensive machinery might be made to pay. The factory and store might employ the women and children of those families that were employed upon the land; and, by a proper organisation of such factories, they might be made greatly to assist each other.

We have illustrations of farms, factories, and stores, working successfully on the Co-operative principle; but they are working separately. Our next step must be to bring them together. The only practical suggestion I can offer towards this end is, that a central association of capitalists favourable to this object, affording some kind of guarantee, would greatly facilitate the taking of land; and a paid secretary to such association might greatly aid in promoting

unity and Co-operation among the scattered factories and stores.

Hitherto Co-operative Stores have proved the most successful. By these are saved only the profits of the retailer. But although this is a small nibble, in an economical point of view, it is very valuable indeed as educational training. As Co-operation is based on a ready-money system, it teaches providence, forethought, and self-reliance—a necessary base of all other virtues in the poor. It teaches the advantages of combination and organisation; and practically illustrates that unselfishness is our highest interest—that is, is the selfishness that pays best. But a Co-operative store on the ready-money principle effects a greater saving than at first sight appears. On the credit system there are many that cannot, and many that will not, pay; and the retail shopkeeper is obliged to put the loss thus created upon those that do pay. If this were done directly, there would be less to complain of; but it cannot well be done directly, so the shopkeeper makes up his losses indirectly, in the deterioration and adulteration of almost everything he sells. Thus we have sulphate of copper in pickles, red lead in Cayenne pepper, flour in mustard, salt in tobacco, whiting in German yeast, turnips in marmalade, turpentine in gin, &c.; and a man's moral nature becomes the most adulterated of all. "John," says the grocer, "have you sanded the sugar?" "Yes, sir." "Have you watered the treacle?" "Yes, sir." "Have you damped the tobacco?" "Yes, sir." "Then, John, come in to family prayers." This used to be considered a good story, but it is evident that Mr. Froude considers it no story at all, but a great reality. In his recent inaugural address at St. Andrews, he says:—

We have had 30 years of unexampled clerical activity among us; churches have been doubled; theological books, magazines, reviews, newspapers, have been poured out by hundreds of thousands; while by the side of it has sprung up an equally astonishing development of moral dishonesty. From the great houses in the city of London, to the village grocer, the commercial life of England has been saturated with fraud. So deep has it gone, that a strictly honest tradesman can hardly hold his ground against competition. You can no longer trust that any article you buy is the thing which it pretends to be. We have false weights, false measures, cheating, and shoddy, everywhere. Yet the clergy have seen all this grow up in absolute indifference; and the great question at this moment agitating the Church of England, is the colour of the ecclesiastical petticoats. Many a hundred sermons have I heard in England; many a dissertation on the mysteries of the faith, on the Divine mission of the clergy, on apostolic succession, on bishops, and justification, and the theory of good works, and verbal inspiration, and the efficacy of the Sacraments; but never during these 30 wonderful years, never one that I can recollect on common honesty, or those primitive commandments—"Thou shalt not lie," and "Thou shalt not steal."

But now, since everyone can read, preaching has lost most of its power; and when we further bear in mind that many have lost the faith that at any time made it efficacious, it must be obvious that we cannot look to preaching to remedy our present evils. In

Co-operation we shall probably find the most effectual way of reconciling the now conflicting claims of Capital and Labour, and also the antidote to our great moral backslidings, which, to our shame and loss, are fast becoming national. Co-operation, however, in its widest sense, can only be based upon an education very superior to that now possessed by the great mass of mankind. I do not mean an education of the intellect alone, such as would fit a man to pass an examination for the Civil Service; but that kind of education which shall train a man to self-denial, fortitude, self-reliance, unselfishness, and that moral honesty that seeks the right and the true, regardless of consequences, and is always ready to sacrifice a small present good to a greater in the future, and our own individual interest to that of the community. But if this highest kind of education is necessary to the success of Co-operation, so, in the efforts towards a more perfect Co-operation, will this education be found.

The reading of the Papers on this subject being concluded, the Debate was opened by

Mr. F. Wilson ("Christopher Cable"), of Leamington, who said the three last papers would have been better read ten years hence. The first thing was to practise the A B C of the question, and that was to put the labourers upon the land on Co-operative principles. A society must be erected to purchase land. We had hardly made the first step in the land question. England was only half cultivated. 150 people owned the half of England.

Mr. Pare : We must make a beginning.

Colonel Clinton doubted the last statement of Mr. Wilson.

Mr. Wilson resumed. Large tracts of land were unproductive. It was the duty of Co-operators to develop the resources of the land. This must precede model villages, Utopian associations, and transcendental enjoyment. He should be glad to take shares in a society for purchasing land, putting the people on it, and thus preparing for the combination of agriculture and manufacturing.

Mr. Oliver Byrne stated as his claim to be heard on the statistics of land holding, that he was the author of fifty books.

Mr. Pare rose to order. It was no part of the programme to go into statistics about the number of persons who owned land.

Mr. Stewart (Stranraer store) said a Co-operative store had been reared in his out-of-the-way part of Scotland. He thought there were great difficulties in applying Co-operation to agriculture. A friend of his had tried the experiment for some years in the west of Cumberland, where the working people were not famed for versatility of ideas; and the men struck for a rise of 6d. a-day, and the women for 3d., though there was no dividend. The Co-operative idea could not be drilled into the heads of these people, who were not aware of the nature of the demands they made. Yet the proprietor set up a good library for them, and did all he could to make Co-operation understood and rendered profitable. The consequence was, that heavy debts were incurred chiefly since the

Co-operative experiment was started. We had hardly arrived at the time when it would be safe to apply Co-operation to agriculture.

Mr. Pare apprehended that the last speaker had alluded to the farm of Mr. Wm. Lawson. (Mr. Stewart: Yes.) Mr. Pare then referred to another experiment—Mr. Gurdon's, at Assington, Suffolk. If the gentleman would visit those farms, he would find a very different state of things. Much depended upon management; and an experiment ought not to be condemned because it did not succeed; nor ought these failures to daunt us. We must expect them, and take measures to overcome them. Dr. Travis did not wish to press this subject upon them; but he said there must be propagandism, then a practical experiment, and so move step by step. Don't talk of Utopian ideas. He had been a Co-operator for half-a-century, and had gone through every phase of it, and he believed that there was nothing so practicable, if they took it up in a business-like way, as the plan Dr. Travis had laid before them. He had seen all the parts of that plan in operation again and again. They had been in operation—either under his own eye or management—in England, Scotland, and Ireland. The experiment at Ralahine, in county Clare, under the management of Mr. Craig, ought to be set on high for imitation, because it was a successful experiment amongst the worst possible class of agricultural labourers, since there were men amongst them who there was every reason to believe had committed murder. That experiment (he repeated) was carried on under extraordinary circumstances, and was a most promising one. It terminated by the misfortune of the proprietor, Mr. Vandeleur—the little community having no hold upon the land. Had the land been held in common by that community, he believed it would have been in existence now, and would have been like a city set on a hill.

Mr. Cuddon* (who was more than once called by the chairman to keep to the subject) commended the papers of Dr. Travis and Col. Clinton, and said we wanted the waste land for the idle hands; and he had reasons for being certain that land could be had, on which might be erected equity villages, which would be schools of social science, industry, and morality, where the poor and destitute would be out of the temptations caused by the corrupting system of so-called commerce. With such institutions there need not be a single individual in poverty, or out of employment, or in want of anything.

A benevolent scheme like this would be something worth co-operating for. Practicable!—He knew that everything he stated was practicable, and far easier and less expensive than our present career of stupid madness, misery and wrong. Profits were like gambling; for what one gained, another lost.

Mr. Booth, who said he represented the National Rational League,* contended that it was possible for the poor agricultural labourers to work the land productively. Large tracts might be had at low rates. Mr. Booth wandered from the subject, and persisted for some time in refusing to obey the calls of "order" from the chairman and the members of the Congress.

Mr. Charles Murray referred to the arrangements which were being made to assist persons to emigrate to America upon Co-operative principles.

Mr. Alsager H. Hill thought there had been a propagandist party since the time of Robert Owen; yet there was as much division as ever. We wanted a thorough system of industrial education. This should be impressed upon the Poor Law guardians throughout the country. He sympathised with the enthusiasts, but desired something practical.

Mr. Mitchell (Rochdale) did not see any insuperable difficulty in the way of realising the better state of Co-operative life which had been foreshadowed, provided we began low enough, and proceeded by natural growth. Land could often be bought advantageously, and a small farm might first be tried, the plan being extended as confidence and experience increased.

The Chairman concurred that the Co-operators ought to keep their eyes on the waste lands. Why should not an agreement be made with the holders of such land, in order that it might be cultivated on a Co-operative plan, and its value increased? He did not know any question of more importance than the cultivation of waste land.

The discussion was closed by

Mr. William Craft, a highly intelligent man of colour, who is endeavouring to promote Co-operative farming among the freed slaves of the Southern States of America (see *Co-operator* for May 29, No. 200, page 360). Mr. Craft said the great object seemed to be, to educate the agricultural labourers, to teach them how to combine, and then advance them the tools to raise a first crop, and the necessary capital, to be repaid with interest from the farm.

* Not a delegate or invited member of the Congress.

* Not a body invited to send representatives to the Congress.



Third Day, Wednesday, June 2.

Mr. Walter Morrison, M.P., took the chair. Among the visitors present were the Earl of Lichfield, Mr. Somerset Beaumont, M.P., Mr. A. Russell, M.P., and Mr. Cartwright, M.P.

Communications were read by Mr. Pare from Mr. Wm. Howitt, of Esher; Mr. Jos. Cowen, jun., of Newcastle-on-Tyne; and Professor Francesco Vigano, of Milan.*

The first subject for consideration was sub-section *b* of the 2nd section of the programme, deferred from the previous day, viz.:—"The best means of making Co-operative societies mutually helpful—(*b*) By instituting a system of Guarantee, Banking, and Labour Exchange."

The Chairman remarked that there was no more difficult or important subject for the consideration of Co-operators, than that of Banking. Co-operative banking would prove a more difficult task to carry to a successful issue, than any other form of Co-operative enterprise, because the leading requirements of success were based upon what could not be gained—viz., a sound natural judgment. No doubt there was a great field open for the existence of Co-operative Banks. The Rochdale Pioneers Society—which was not the largest in the country—sometimes had as much as £40,000 at their banker's. The united funds of all the Co-operative societies in the country would amount to an enormous sum of money; and by the present system of Co-operation it was put into the hands of private bankers, and lent out for their benefit. One of the chief difficulties in the way of Co-operative banking, would be the securing of efficient management. Of course, the men who had organised other forms of Co-operation could make banking successful; but they should not conceal from themselves the immense difficulties that stood in their way. One source of weakness would be the reluctance which would be felt by managing bodies to pay sufficient remuneration for the first order of ability, which it was necessary to secure. Co-operators, up to now, had struggled against adverse opinions; and had, like the promoters of all new propaganda, the advantage of being a select body, from whom the mass of men kept aloof. Now, however, Co-operation was becoming fashionable, and all classes would be rushing towards it; and Co-operators would have the assistance of rogues, as well as of true men. It was strange that whereas in England successful Co-operation had taken the form of Distribution, by means of Stores, French Co-operators had applied their energies more to the department of Production and Manufacture; while in Germany the special feature of the Co-operative movement had been the successful establishment of Co-operative Banking.

* See *ante*, p. 21.

The first paper was read by R. B. D. Morier, Esq. (H.M. Chargé d'Affaires at Darmstadt), on

The Principle of Co-operation, as applied to Credit,

with special reference to the

Co-operative Credit Banks established in Germany.

I propose, in the paper which I am about to read, to call attention to the principle of Co-operation as applied to Credit, with special reference to the Co-operative Credit Banks established in Germany. In doing so, I must, I fear, depart, to some extent, from the rule that papers read at this Congress shall be strictly limited to practical questions; and preface what I have to say by a few introductory observations of a somewhat abstract kind.

Co-operation, used in the specific sense which now attaches to the word, and considered in the light of economical science—i.e., apart from the practical interest which attaches to every endeavour to place the condition of the working classes upon a more satisfactory footing, is seen to afford the solution to two important economical questions, viz.—(1) How to give to the consumer direct access to the producer? and (2) How to give to the producer direct access to the capital required for production? By a strange coincidence, singularly characteristic of the two methods of arriving at truth peculiar to the Anglo-Saxon and German branches of the great Teutonic race, to which it is our privilege to belong, these two questions were almost simultaneously answered—the one in England by the clear brains and stout hearts of a body of operatives, who, whilst applying their shrewd common sense to the bettering the circumstances of their everyday life, unconsciously struck upon a principle of the widest application, and pregnant with the most important results; the other in Germany by the individual genius of one great man, who, starting from a general principle, deduced from abstract speculation, applied it to the complicated phenomena of real life, and achieved the great results which I am about to describe to you.

In an assembly like the present—every individual member of which knows infinitely more of the results of the Co-operative store movement than I do—it would be the height of presumption on my part to call attention to the economical value of the principle involved in that movement, and to the saving effected to the community by the application to productive purposes of the capital and labour set free by even a partial suppression of the barren machinery of distribution. It is, therefore,

exclusively with the answer furnished by the Co-operative Credit institutions of Germany to the second question, viz.—How to give to Labour direct access to Capital? that I propose to occupy myself.

I must preface what I am about to say by observing that Schulze-Delitzsch (the founder of the system of Co-operative Banking) found himself from the very outset of his career pitted against a man of very undoubted genius, named Lassalle, who, denying the premises from which Schulze-Delitzsch started, organised amongst the working classes a fierce opposition to the apostle of Co-operation. Though Lassalle himself is dead, Germany continues to be torn asunder by the two schools respectively identified with these champions; and it will therefore materially assist in our comprehension of the question under discussion if we take a preliminary survey of the points of difference between the two schools. Both start by recognising the fact that, in the present condition of society, help is needed. But Schulze-Delitzsch and the Co-operators inscribe upon their banners "Self-help;" Lassalle and his followers, "State help." If we search for the theoretic basis to which these party cries must be referred, we shall find them in the divergent views of the two schools in regard to the nature of capital. The school represented by Schulze-Delitzsch accepts the received economical definition of capital. It is surplus produce consciously set apart for the purpose of further production, and its creation therefore involves an act of abstinence from use—i.e., of saving—which, unless it be remunerated by interest or profit, will not be repeated. It is a permanent economical phenomenon, and a necessary condition of production. Lassalle denies the permanent character of the phenomenon, and maintains that capital is but the result of an historical accident, and owes its birth to the fact that all societies have begun with a state of slavery. Not saving, therefore, but forcible appropriation by the few of that which has been produced by the many, is, according to Lassalle, the origin of capital. Hence the necessity of discovering a new law for the distribution of profits.

Now, it seems to me that somehow neither of these definitions grapples with the phenomenon of capital at a sufficiently early stage of its existence; because, before the act of abstinence, or of appropriation, can take place, there must already be a surplus produce to be abstained from, or appropriated. Hence, to get at the point which we must reach in order clearly to survey the ground we have to traverse, it is necessary to go a step beyond that from which both these definitions start, and to inquire into the nature of this original surplus. If we examine that portion of the wealth of mankind which consists of material products, we shall see that it owes its origin to the application of human agency to natural forces: in other words, that by the exertion of man's will, certain mechanical, chemical, and physiological changes can be brought about in the material world by which he is surrounded, by reason of which changes he is enabled to satisfy the wants and cravings of his nature. Now, the law to which I desire to call attention

is this—that so long as the proportion between the force I have called human agency, and the forces I have described as the forces of nature, remains the same, or approximately the same, as that which it is at present, the returns made to man's exertions are infinitely beyond what is wanted to satisfy his *minimum* requirements—that is, those so-called necessities of life which may be summed up as the food, clothing, and shelter required to keep him in a state of physical health, and to enable him to perpetuate his species. In other words, in the present thinly-peopled condition of the planet we inhabit, the results yielded by the forces of nature to the agency of man, are out of all proportion to his physical wants.

Allow me, in order to illustrate my meaning, to take an imaginary case. Suppose a community determined, from some religious or other motive, to content themselves solely with the necessities of life as above defined, viz.—with sufficient food, clothing, and shelter. In order to compass this end without the risk of falling short of it, they would have to sow their fields and stock their farms in such a manner as to provide against the contingency of the worst season known in the country in which they chanced to have settled. Let there be an average season, and there is at once a surplus beyond all their requirements. Let the season be somewhat above the average, and there is a surplus possibly equivalent to the wants of the community for twenty years to come—a surplus there and then existing, be it noted, without either an act of abstinence or of appropriation, and which, under the hypothesis of the case, would be sheer waste. Now, it is this margin—a margin we owe to the generous (I might almost call it the spendthrift) prodigality with which nature answers the calls made upon her by man—which constitutes the original surplus fund which, when applied to production, we term capital. It is this surplus fund which is at the free disposal of the human race: and consequently the real question underlying all such controversies as those between Schulze-Delitzsch and Lassalle, and all others connected with the so-called social question, may be resumed in this short formula—"How shall this surplus be disposed of?"

I am aware that in making this statement, I am asserting that which must appear to a great many persons to stand in direct contradiction to the facts by which they are surrounded. In the presence of the almost frantic struggle for mere existence, and of the painful wringing for the barest necessities of life, on the part of thousands and thousands of our fellow-creatures, and with the sights of London pauperism staring us in the face,—it seems like mockery to say that the only difficulty we have to deal with, is how to dispose of a surplus. Nor is it merely in these sights and sounds daily present to us, that the apparent refutation of my proposition is to be found. In almost every popular discussion, as well as in most scientific treatises upon the causes of the present evils of society, reference is made to the fatal law under whose gloomy shadow the human race is supposed to have been condemned to live, according to which population is for ever outstripping the means of

subsistence. I must therefore remind you that I am at present treating my subject from the most abstract point of view imaginable—i.e., that I wish you to consider the general laws which govern the subject, irrespectively of the accidental disturbance of those laws by the ignorance or heedlessness of which man, with his free will and his consequent power of disturbance, may make himself guilty. I am not in any way denying that, under the existing conditions of production, there may exist such a thing as a local pressure on the means of subsistence; all I assert is—that there is no economical necessity for such pressure, and that its causes are removable by human agency.

That the law of the increase of wealth is such as I have described it, will, I think, be at once clear to you, when I refer to a statement already adverted to at this Congress—to the effect that the yearly addition made to the capital of Great Britain alone, is calculated, on reliable data, to be something like 150 millions sterling; that is—such is the money value of the yearly surplus of production over consumption: and I may add that, according to a calculation which I believe to be approximately correct, it has been computed that under average circumstances the labour of one man in England, with the appliances of modern agriculture at his command, can produce the food of thirty. These are the results in a country like our own, with its limited surface and its immense population: but for the object I have in view, it is not to the United Kingdom that I would wish you to limit your observations; it is the entire mass of the globe we dwell upon, and the relation borne to this mass by the inappreciably small fraction of it known under the name of the human race, which I would wish you to ponder over. When we consider what this proportion is, and reflect on the daily-increasing powers of man over nature, and on the untold stores of natural forces still virgin and untouched which lie at his disposal; when we further consider that all that is required is, that the human race should wake up to the sense of what its *co-operated* power over these forces could effect,—we shall at once see that, as far as productive force is concerned, only a very small percentage of human agency, were it systematically applied all the world over, would suffice for the purpose of furnishing the human race with its necessities in the most lavish abundance. I have guarded myself at the outset by saying that such is the law so long as the present proportion exists between human agency and the natural forces of the earth. Of course, it is conceivable that our planet should become so peopled as to reverse the conditions of the problem; and that, the proportion at present existing between the two forces becoming reversed, the actual prodigality of nature should come to be changed into the niggardliness of the miser. But countless generations must pass by before such a result can take place; and it seems to me that we can safely leave it to those future generations to solve their own problems as best they can; and that it is sufficient for us to attend to the laws under which we and our children and children's children are called upon to live.

If I have succeeded in convincing you that the law is such as I have described it, you will be ready to agree with me that, in seeking for a remedy to the actual economical disorders of society, it is not to deficient production, but to faulty distribution, that the cause of the evil is to be attributed. When we have realised this fact, the point at issue between the two schools we are discussing—schools, be it noted, which, in some form or other, divide society all over the civilised world—appears to me to be brought within a very narrow compass, and to resolve itself into this:—“Shall this surplus, by means of free exchange, fair contract, the rendering of service for service, find its way into the possession of the individual members of the community? or shall it be held in trust by the State for the benefit of the collective community?” The one school takes society such as it has grown up through the many centuries of the past, and seeks to reform it by co-ordinating existing facts in accordance with sound principles. The other aims at a total reconstruction of society upon an entirely new basis. I need hardly say, that the idea which I have described as lying at the root of the latter school, is that which abroad assumes the name of Communism.

Such being the divergent views of the two schools in regard to the nature of capital, it will be abundantly manifest that there must be an analogous divergence as to the method of arriving at the object they both have in view; for you must not forget that they are both pursuing the same end—that which, I presume, all of us here present are equally pursuing, viz.—to find the means by which the whole community can be made directly to participate in the surplus of production over consumption. Now, by far the most powerful instrument for effecting this purpose, is credit; and it is consequently in their use of this instrument that the two schools differ. If we examine what is the operation which is effected by credit, we shall find it to be this—that one individual (the lender), in return for a consideration called interest, places another individual (the borrower) in a position to apply the force of human agency to the natural forces of the matter on which he has to work, and thus to call into existence not only the products required for his consumption, but the surplus products before described. Consequently, it at once becomes clear that the use of capital is the object really desirable. It is, as regards a man's yearly income, exactly the same thing whether he receives £50 a-year as interest upon £1,000 which he owns, or whether he derives £100 a-year profit from a capital of £1,000 which he borrows at 5 per cent. If therefore the classes working for wages can be placed in a position to be directly credited with capital, the problem to be solved is solved. Now, what Schulze-Delitzsch and the German Co-operators started by maintaining in theory, and have sought to establish in practice, is—that it only depends upon these classes whether they shall be so credited or not; and this it is which Lassalle denied.

The entire fabric of Co-operative Banking, such as it has been built up in Germany, is based upon the theory that all that is required to obtain credit—i.e., the use of other people's

capital—is the certainty, or approximative certainty, that this capital will be replaced, and an additional value created to pay for the use of it. But the only requisites to production are Labour and Capital: there is therefore no antecedent reason why, if the former is credited with the latter, the act of production should not take place, and the borrowed capital be replaced, and the interest thereon be paid. All that is required is—to find the forms under which labour can be invested with the *status* of a responsible debtor. A substantial pledge is there in the shape of so much muscular power, and so much artistic skill. The skilled artisans of a community are as good a subject for a mortgage, as the steam mill which supplies it with flour, or the broad acres which furnish the corn to the mill. All that is wanted, is some equally safe means of assigning to the creditors a lien on the former as on the latter. This Schulze-Delitzsch proposes to find in voluntary association, with the conscious assumption of responsibility on the part of the associates—*i.e.*, in the corporate liability of a large number of units. Lassalle only sees the fact that the working man and the *proletaire* are one; that the characteristic of the *proletaire* is—that he has neither real nor personal property, and that out of nothing, nothing can be made. Hence, no assets, no security, and therefore no credit; and consequently, to give to labour direct access to capital, the credit must be furnished by some third party: but the only third party who can do this on a sufficiently large scale, is the State—that is, capital must be lent to labour *gratis*. He proposes, therefore, a vast organisation of labour, which shall eliminate competition, and furnish the associated operatives with the necessary capital on the credit of the State—the State undertaking all the risks, whilst the profits are divided amongst the operatives.

As the work of production is at present carried on, it is (speaking roughly) divided amongst three classes—the owners of capital; the users or employers of capital—*i.e.*, the middlemen—be they individuals or companies—who, as it were, collect capital into common reservoirs, paying interest for it, and recouping themselves out of profits; and the immediate producer or workman, skilled or unskilled, who labours for wages. The object of Schulze-Delitzsch—exactly analogous in this respect to that of the authors of the Co-operative store system—is to get rid, where that is possible, of the middleman, or employer of capital, and to credit the wages class directly with capital: and whereas the wages class has only personal security to give, the principle of Co-operation is invoked to give to that security a corporate, in lieu of an individual, basis.

The second principle—that of a *maximum* of responsibility—is attained by a rigid adherence to the principle of unlimited liability. In the absence of other assets, the creditor may recover on the private property of the associates—the members being jointly and severally liable for the debts of the whole association, and the whole association for the debts of each member. This principle—which has been attacked as unfairly weighting the better-off associates in comparison with the others, in

societies which must necessarily be composed of men who have nothing and men who have something—is, nevertheless, the keystone to M. Schulze-Delitzsch's system, and that part of it on which he has throughout made the most obstinate stand.

The length to which this paper has already run, does not allow me to give you a detailed account of the system by which Schulze-Delitzsch has afforded the practical proof of the theory from which he started. I will only observe, that the principles followed by him are in accordance with the strictest rules of commercial and economical science. The Co-operative credit bank does business precisely in the same way as every other bank. It is a credit shop, buying credit wholesale in the loan market, and selling it retail to its customers. The capital it works with is made up precisely like that of other banks—of the shares of the members, and the loans it makes in the shape of deposits. It lends to its customers—*i.e.*, the associates—either by discounting their bills, or against a mere certificate of indebtedness, on the credit of three names—*i.e.*, the borrower and two sureties. The average period for which the loan is granted is three months, and prolongations are only exceptionally allowed. In doing this, it acts precisely upon the same principles as the Bank of England does in discounting the bills of its customers—*i.e.*, it looks to the three names, and estimates their market value. In the case of the Bank of England, it is the conviction entertained by the directors that the commercial business done by the drawer or backer of the bill, will, in the course of three months, replace the capital lent, with a surplus to pay the interest, which makes them discount it. In the case of the Co-operative Bank, it is the conviction that the individual borrowing the money, or his sureties, will, in the course of three months, have produced values equivalent to the money advanced—*plus* a further sum to pay for the use of that money. In both cases, credit is the result of the same operation, *viz.*—of accurate knowledge of the productive circumstances of the purchaser, and of an estimate of the probable results based on that knowledge. The German Co-operative Credit Bank only differs from other banks in being adapted to a different class of customers. The estimate of results is based on a knowledge of the productive capabilities of so much muscular and nervous force, instead of being based on the probably profitable results of an exchange of commodities.

When I tell you that in about 15 years, from one small bank thus started by Schulze-Delitzsch, with 170 members and a capital of £30, these Credit Associations have increased to about 600 under his direction and superintendence (besides those not in connection with the central body), with nearly 300,000 members, a share capital of about one and a-half million sterling, and borrowed capital of about three and a-half millions sterling, doing a yearly business of about sixteen millions sterling; and when you reflect that the vast majority of these 300,000 members are artisans, without real or personal property,—you will see that in one most important branch of production—that of the handicraftsman, who produces retail, and

can individually turn over a Lilliputian capital—the question as to whether labour can be directly credited with capital, has been triumphantly solved; and the principle that a form can be found under which the wage class can hire capital instead of being hired by it, triumphantly asserted.

I am aware that, when the practicability of applying the German credit system to the circumstances of English production is talked of, the objection is raised that almost every form of English production having assumed wholesale and gigantic proportions, a system based upon the conditions of what might almost be called domestic industry is inapplicable to it. This is a question I cannot enter upon, as I have not got the necessary knowledge of the circumstances of English production to be enabled to come to an independent judgment on the subject. But if even the objection should turn out a sound one, it does not appear to me in any way to touch the principle at stake; for if it has been satisfactorily established that individuals of the wages class can, by associating themselves, buy credit in the open market for the purpose of individual production, it is difficult to see why, by a further development of the same principle, associations of individuals belonging to the wages class, should not eventually become buyers of credit for the purpose of corporate production. Of course, this would require a far greater development of what may be called the moral and intellectual habits of Co-operation, than has yet been reached—Co-operation for productive purposes being the highest, and most complex, and most difficult of attainment of any form of Co-operation, and therefore requiring the greatest possible degree of intellectual and moral training. But when this training has once been attained, I see—after the experience of Germany on the lesser scale—no economical difficulty in the way of such trained co-operated productive labour borrowing the capital it requires.

Gentlemen, notwithstanding the generous patience with which you have listened to me, I am painfully conscious that I have fallen altogether short of the task which I proposed to myself. In drawing up this paper, amidst very many disturbing occupations, I became aware how utterly inadequate a few days' preparation was to so vast a task as that of laying down the general principles of the question of Credit in connection with Co-operation. I also learnt, when it was too late, that the question I have been discussing has little practical bearing on the work cut out for this Congress; as the real question for you to decide upon is, not how to be enabled to borrow, but how to dispose of surplus capital. Nevertheless, if I have succeeded in setting some of the very clear brains with which I have had the privilege of becoming acquainted since the opening of this Congress, at work upon the question of the best mode, as adapted to English conditions of production, of making co-operated labour a direct buyer in the loan market, I shall feel that I have not taxed your patience altogether in vain.

As regards any further and more detailed information you may require in connection with the German system, I shall be happy, on my

return to Germany, to furnish you with it. I shall feel that in doing so, I shall only be acting in accordance with my professional duties as a diplomatist—*i.e.*, an agent of international Co-operation. I am aware that at present this profession does not stand in high repute among Liberals; but I am sanguine enough to hope that the day may come when the civilised governments of the world will have learnt the great economical truth of international Co-operation—*i.e.*, that the welfare of each State depends upon the joint welfare of all, and the welfare of all upon the welfare of each. Should that day arrive, diplomacy, as the agent of this international intercommunion, will develop into the noblest profession to which a man could devote his energies.

The next paper read (as turning in great measure on the subject of Banking, though more general in its title) was one by the Rev. W. N. Molesworth, Vicar of Rochdale, on

The Best Means of making Co-operative Societies mutually Helpful.

It has recently been said of Co-operation, in scorn, that, after all, it is a very simple thing. As a Co-operator, I readily plead guilty to the charge; and whatever reproach there may be in it, I admit that it is a simple thing—a very simple thing, if you please; but I must be allowed to add, that it is also a very great thing—great in the present, and destined to be greater still in the near future. And I am the more ready to recognise the simplicity of Co-operation, because I believe it to be an essential element of its greatness. And the more clearly we see this simplicity of Co-operation, the better; for I hold that the main feature in which theory differs from practice, and science from art, is in discussing the simplicity of a principle amidst all the complication of the details into which it enters; and the more we do this, the more thoroughly and profoundly do we understand any subject with which we may have to deal. Co-operation, then, is simply working together; or, to borrow the language of the programme of this Congress, it is being “mutually helpful.” It begins by making individuals mutually helpful; by combining them in societies of men, working together for their several and common advantage: and it goes on to make the societies thus formed mutually helpful; so that the question before us is, in fact, this—How to make Co-operative societies more Co-operative; how to make them more completely realise their true idea, and fulfil their purpose.

I often hear at Co-operative meetings at which I have been present, exhortations addressed to Co-operators to extend their operations; and reproaches thrown out against Co-operative societies, because they do not know how to employ the capital which the public confidence places at their disposal. And, to a certain extent, I sympathise with those exhortations and reproaches. But, at the same time, I cannot but see that there is danger lest Co-operative societies should go on too fast. I

believe that the great cause of Co-operative failures has been—that their managers have not been contented to wait for the natural growth and development of these societies, but have tried to force them forward; starting societies without having at their command the supply of integrity or business experience that was necessary to their success. In Rochdale, where Co-operation has been so successful, the progress has been slow, gradual, and steady. The leaders of the movement have been rather forced forward by the continual increase of Co-operative capital. They began with the simplest operations of trade, conducted in the simplest forms; and after having acquired experience in this way, they slowly and cautiously embarked in new operations, beginning on a small scale, and gradually extending their business in each department. I mention these things, because to understand our dangers is to see the way of safety. It consists, I would submit, in our laying fast hold of the Co-operative principle, and clinging to it through all its varied developments. We must not be in too great a hurry; we must not force the growth of Co-operation, but let it grow naturally; and it must and will grow, if it is placed under the fostering care of men who know how to dress and keep it. Something may be done by separate societies keeping up a friendly intercourse with each other, and helping one another as opportunity offers. Much, very much, may be done by the action of such societies as the Northern Wholesale Society, which is rapidly extending its operations, and has formed relations with a very large number of Co-operative societies in the north of England, and will be the means of bringing into existence a very large number more, and of helping them through many of the difficulties and dangers with which infant societies have to contend. But I believe still more will be done by the establishment of a Co-operative Bank, on thoroughly sound principles. This is a matter which I have for many years pressed on the attention of Co-operators; and with this view I long ago translated, and published in the *Co-operator*, an admirable little French work, entitled "*Crédit au Travail*" ("*Credit to Labour*"). The French institution whose manifesto this was, and which bore the same name, has, I am sorry to say, failed; but I am neither surprised nor discouraged by its failure, nor is my opinion on the subject in the slightest degree changed by that catastrophe. It only enforces the lesson which I have always inculcated—that we should proceed in these matters with the utmost deliberation and caution. The failure of the *Crédit au Travail* may be very easily accounted for. In the first place, it was in the hands of excellent and admirable men: I do not think I ever met in my life with more generous and single-hearted men, or men who were more anxious to do good; they were also men of remarkable literary ability, but they were theorists and politicians, not men of practical business knowledge and habits; admirable men for turning out a grand scheme of operations, but quite unfitted to carry it into effect. The institution which they formed was rather a loan society than a bank; and as they were animated by a spirit of the most enthusi-

astic and generous propagandism, I have no doubt they made their loans very liberally, but somewhat too rashly; that they established societies where the elements of success did not exist, and led others to lean on their assistance which could not be sustained, or which would have done better without such support. We must avoid these errors, and we shall succeed. In my opinion there is one answer (and only one) to the question before us. The best means of making Co-operative societies mutually helpful, is the establishment of a real Co-operative Bank, to be managed by men who have acquired practical business habits in the lower walks of Co-operation, and who thoroughly understand both Banking and Co-operation in all its branches. Such a bank will be a reservoir to receive the redundant capital of places where a safe employment for it cannot be found, and to use it in those places in which there is opportunity and enterprise for its employment, taking care to lend on good and ample security. In this manner Co-operative societies will help one another through the ordinary channels of business. In all this, I believe, no difficulty will be found. I have had the opportunity of watching the progress of Co-operation now for a very great number of years in one of its best phases, and the result of my observation has been, the most perfect confidence in the aptitude of Co-operation to develop the highest business talent, and the highest moral virtues: and I have no doubt at all that when the time comes for the establishment of a grand Co-operative Bank—and whether the time has come or not, is a question on which I avow my utter incapacity to give an opinion—but when that time does come, sure I am that the men intellectually and morally qualified to superintend and direct its operations will not be wanting.

In the course of the debate which ensued on the reading of these two papers,

Mr. Morier stated, in reply to a question from Mr. Hughes, that a loan was granted to a member of a Co-operative bank, under the German system, on the borrower and two others entering into a bond for its repayment; and that in case of default, his bondsmen and himself would be proceeded against for its recovery. Moreover, each associate—i.e., each shareholder—was liable for the whole of the debts contracted by the bank; and in case of the latter's insolvency, could be proceeded against for the whole amount, on the principle of unlimited liability. As regards the relations of the banks *inter se*, they came to each other's assistance, but were not legally liable the one for the other.

Mr. Oliver Byrne asked—Why not put gold into the market the same as potatoes and corn?

—[The speaker was entering into an irrelevant subject, but having been called to order, said:]

—I am an American citizen, and for 16 years I have worked upon two great questions in America—the Land and Slavery; and, sir, the one question we settled by agitation, and the other abomination we put down by gunpowder. (Laughter.) Mr. Byrne then went on to speak against the system of taking interest for money. The root of all evil (said he) is ignorance; but

as glaring an evil is the money-interest system. Money of itself can do nothing; but, sir, a cunning set of fellows can put their heads together, and try to get men to work for them, in order to squeeze interest out of their capital. (Laughter.) If a lazy fellow won't work, why, put him out of what he holds. If a man can pay his passage to a foreign country, let him pay it, and take a paper on his back. (Great laughter.) I am, sir, a relative of Andrew Jackson, who was the son of an Irishman; and I say, sir, if you catch a lazy fellow who does nothing, put him on a rook—(roars of laughter); and take the fellow who does something upon the land, and let him have the interest of the money. (Laughter.) Wherever you see a bank, sir, you may depend upon it there is a lot of sleek, well-trained fellows inside, doing all they can to make interest. (Laughter.)

Mr. Ludlow said—one could not help being struck by the fact pointed out by the Chairman, that Co-operative credit should have extended so much in Germany, whilst Co-operative consumption had specially flourished in England. This was the more remarkable, that institutions which, in fact, were originally intended to fill the same part as the German credit banks—he meant loan societies—had been legalised in this country for many years; but instead of healthily developing themselves, had for the most part sunk into mere usury offices, and had lately been denounced in terms of the severest condemnation by Mr. Tidd Pratt. It must not, indeed, be overlooked that both in England and France, Co-operative banking and credit, in different forms, were gradually extending. M. Hubert Valleroux's valuable paper had shown the extension of mutual credit associations in France—sometimes, it is true, as a mere cloak for trade societies: and in England those who were familiar with the working class must be aware of the existence, in almost all parts of the country, of small mutual loan funds, many of them never registered, but serving quite the same purpose, though in a much humbler way, as the German credit banks; whilst for the higher artisan and small tradesman, the modern joint-stock bank to a great extent supplied the same want. Still, the difference between the two countries was great, and its explanation must (he thought) be sought for in their respective social circumstances. The German banks were, he apprehended, mainly composed of small masters, and handicraftsmen seeking to become such. The German system was thus mainly applicable to a condition of things which we in England had outgrown—where small capitalists and handicraftsmen, rather than large capitalists and extensive manufacturers, carried on the national industry. But it was plainly unsuited to this country, where every day, in every branch of industry, large establishments were swallowing up the small traders. It must not be copied here, but adapted. For instance—Mr. Morier, following Schulze-Delitzsch himself, had spoken of unlimited liability as the basis of the system. Now, from his experience of the English working class—it might be to their discredit—he must say plainly, that nothing but limited liability would be accepted by them in their

undertakings. What we had to deal with here were, on the one hand, Co-operative societies for Consumption, possessed (as the discussions of the last two days had shown) of abundant capital, and already capable of federating themselves together—as in the instance of the Wholesale societies—and Trade societies with large further funds, also capable of joint action: and, on the other hand, Co-operative societies for Production, starved of capital, and thereby unable to develop themselves; whilst the want of capital was also frequently felt by the smaller stores for consumption. The wants of this country would be met by the formation of a Co-operative bank, on the basis of a federation of societies, which should receive deposits, discount bills, and conduct all ordinary banking business: and without laying down any absolute rule on the subject—especially since Schulze-Delitzsch maintained that in Co-operative Banking profits should not be paid on dealings, as in Co-operative stores, but on capital only—he would, nevertheless, suggest that, after paying 5 per cent. on the shares, the profits should be divided partly on share capital, partly on capital on deposit, and partly on dealings.*

Heir Lessner (Solingen) took exception to some expressions in Mr. Morier's paper, disparaging to the late F. Lassalle (which Mr. Morier at once withdrew). He asserted that the success of the German Banks rested on the habits of saving which they had induced.

After a few words from Mr. C. Lamport,

Mr. Lloyd Jones said they had to consider how far the system of banking in Germany was applicable to England; and how they could best arrange to receive and use with advantage and safety, for Co-operative purposes, the large capital of the stores and trade societies, now almost unproductive, and wanting profitable employment.

Mr. A. A. Walton saw no difficulty in organising a bank; and thought the Limited Liability Act met the case. It must be managed by practical men.

Mr. E. O. Groening said the need of such a bank became much more apparent when they remembered not only the immensely increased amount of the capital of Co-operative societies, but the increased rate at which it accumulates. It was now increasing at the rate of 40 per cent yearly. Besides the large sums of money actually returned by Rochdale and other societies, there was perhaps a still larger amount which the stores had declined to receive. At the present rate of increase of the Rochdale society, they could soon buy up the whole town. He hoped they would: and concluded by making the suggestion that as 2½ per cent. on their profits had been generally adopted for educational purposes, so a similar 2½ per cent. of their capital might supply ample funds for guaranteeing the security of the proposed Bank.

Mr. J. J. Merriman said he thought there had been a great omission on the part of the leaders of this Congress—viz., that some person

* Some remarks of Mr. Ludlow, in defence of the term "Socialism," need not be here repeated, as Mr. Morier has withdrawn the expression in his paper to which Mr. Ludlow took exception.

who understood Banking should let those present know what it was proposed to start. He knew it was proposed to limit the operations of the proposed bank to all ordinary banking operations, and to extend to Co-operative societies the same means of investing their money on the one hand, and borrowing money on the other, which ordinary bankers gave to ordinary customers. And if that were so, the whole of the objections of the trade societies vanished at once; because, broadly speaking, prudently-conducted banks never lent upon permanent securities, however good, because they could not realise them. Many gentlemen in the room knew that one of the best banks in England—which was paying something like 14 or 16 per cent., with a bonus—was made liable to a run, because the bank had got so much money locked up in bricks and mortar, which could not be realised. The bank should lend upon any good bill that might be submitted to it. He would give an illustration of this. Supposing the Perseverance Boiler Makers of Deptford had executed a job, and received in payment an ordinary trade bill, that society would be able to go to a Co-operative bank and discount the bill, which would be a facility they did not possess at the present moment. Ordinary bankers looked askant at Co-operative societies.

Mr. Pare (hon. sec.)—Yes, in the south.

Mr. Merriman—Yes, for you have taught ; hem better in the north : but in any metropolitan bank you could not get it done. The bank, however, should not lend upon permanent securities, but on first-class current paper. The Limited Liability Act of 1862 gave every facility for establishing such a bank; but they could not get on without limited liability. If they had an honest direction, procuring names which would be guarantees to the whole financial world, then, as the chairman well knew, the bank would be able to get advances on its securities, if needs be, in times of emergency. Then, indeed, there would be a sound system established for utilising the enormous funds of Co-operative societies, which were now lying waste.

The Hon. Auberon Herbert pointed out that there were many trades which still depended upon the hand worker, and did not require large factories and costly machinery. Mr. Morier's scheme seemed to be specially adapted to such trades, which included artistic work in painting, engraving, &c. He thought that one reason why continental workmen excelled in these departments of trade, was because they were carried on in their homes, and not in large factories. It would be a great gain if individuals as well as societies could be assisted in the way indicated, by one workman guaranteeing another. Twenty workmen might combine their subscriptions, and then draw lots who should have the first share; and in time the whole twenty would become shareholders.

Mr. Ludlow explained that he did not wish to be understood as advocating assistance only to large establishments; but it was not the usefulness of Co-operation to multiply competitors. As an illustration, Mr. Ludlow mentioned that the clothes which he then wore were made by Co-operative tailors in the city, of whom only two

were employed out of 17. This was just such an association as a Co-operative Bank would greatly benefit.

Mr. M. Macleod said that two things were essential to successful Banking—capital and customers. Mr. Greening had shown that Co-operative societies had an overplus of capital; and in almost every town there were societies existing or in course of formation for productive purposes. Mr. Macleod referred to the tailors, builders, printers, &c., in Manchester, London, Liverpool, and other places. The reason why there were not more of these concerns, was the want of capital. We have the money and the customers: what we lack is the machinery for bringing the two together. He admired the German system, but did not think it applicable in England with our system of aggregated labour. He thought such a plan as that proposed by Mr. Ludlow would meet the case. The retail and wholesale stores were two great and necessary steps towards Productive Co-operation and Banking. If Co-operators did not understand banking, they could afford to pay for outside help. The next and most important step in Co-operation was to make the labour of the country reproductive. The interests of labour and capital were no more identical under the present system than were high profits and high wages. As a workman, he always felt that his interest was to get as much wages as possible: on the other hand, his employer felt it to be his interest to get as much work for as little wages as he knew how. It was objected that the trades could not lend money. But they did lend their money to the bankers; and there ought to be no difficulty in the way of lending their money to a Co-operative Bank. Another source of income which ought to be used for Co-operative production, was the capital of the various Provident societies.

Mr. F. Wilson said they were agreed about the necessity of a bank; the only doubt was as to the giving fair security to investors. They ought not to go beyond Co-operators, individual and collective, in their banking; and would, therefore, be precluded from realising high interest. Their principal object should be to benefit small and struggling societies.

Mr. Borrowman thought it erroneous to say that the Co-operative movement commanded money enough for banking purposes: locally there might be surplus capital, but nationally there was a deficiency for Co-operative purposes. In his opinion the only permanent basis for a Co-operative Bank, was investment in the land.

Mr. Webster (Rochdale) said that Co-operative societies already fulfilled the functions of savings banks. The Rochdale society had also advanced money to other stores on a note of hand signed by the society.

The Chairman: Have you ever advanced to people outside Rochdale?

Mr. Webster: Not outside Rochdale proper, but within a mile or two.

The Chairman: There is a large sum of money in the bank which does pass outside.

Mr. Webster: All the money invested in Rochdale is held at call. Although the rules require notice to be given, practically the claims of members are honoured on demand. Mr. Webster added that there had been a misunder-

standing about the money returned at Rochdale. The first notice for withdrawal was given to the friendly societies, who were not purchasers, and they withdrew about £700. It must be remembered that by the rules the interest was five per cent., and the investment was considered as good as consols. They required power to reduce the interest and regulate investment; but with the present rate of interest they would always have surplus capital. Then about £7,000 was paid out quarterly as dividends: this was not withdrawn from capital. He approved of Co-operative societies assisting shareholders and purchasers with loans, under proper guarantee. Mr. Webster referred to an interesting fact by way of illustration. Early in the Cotton Famine, a sum of about £500 was sent to their friend Mr. Molesworth, for the alleviation of distress amongst Co-operators, and the money was lent upon their personal security, without interest. The sums thus lent had been repaid, and the total amount had considerably increased. If this could be done in bad times, it was reasonable to suppose that it would work equally well in prosperous times.

Mr. Robert Harper (Birmingham) said the first question put by intending investors in a Co-operative Bank, would be—"What is the security?" The first condition for security should be—that those societies which invested money should have a voice in the direction proportionate to their investment. Secondly—the transactions would be mainly for cash, not credit, and it was the credit system which largely caused the insecurity of modern banking and commercial transactions. Tried men would be chosen to manage the bank, and this would be a strong source of security. A further guarantee would be obtained by requiring every one employed in such an establishment to subscribe his quota of the capital. Further, the personal security of every employé would have to be guaranteed. Lastly—there would be the security of publicity, the want of which had proved so delusive in many joint-stock concerns.

Mr. Whittaker (Bacup) believed that Co-operative Banking, as suggested by Mr. Ludlow would ere long be carried out by the northern Co-operators, who knew how to do it. The shares might be distributed amongst the societies that had plenty of capital, no interest being guaranteed, and a part only of the profit made to be paid. Their society at Bacup did not pay interest on their £3,000 reserve fund. There was pressing need of an alteration of the law relating to the questions of banking, purchase of land, mortgaging, &c.

Mr. Nuttall quoted store figures to show that there was an abundance of capital; and spoke confidently of the power and determination of the northern Co-operators to make banking a reality. It had been said that the bankers looked on the stores with suspicion. In disproof of this, Mr. Nuttall mentioned that the North of England Wholesale Society had found the bankers glad to do business with them, and offering to do a yearly business of one million sterling for an annual commission of £150. Two hundred and fifty societies did business with the Wholesale. Why should not this society at once commence banking for these stores? Nothing seemed to him easier; and

they could not do worse than certain joint-stock banks. The example of Rochdale, in refusing capital and in some other respects, was retrograde and pernicious. He approved of Mr. Ludlow's proposal to divide profits both on trade and capital. There was no need to be alarmed on the score of credit, the stores having ample security in stock, buildings, and cash.

Mr. Midgley (Rochdale) thought they only wanted a banking committee to set the thing afloat, and it would go of itself. In Rochdale, for years, the trade societies had poured their money in, and the great difficulty was to use it. In reply to the question of the Chairman, he stated that Rochdale had not done business with outsiders. When he was on the committee they refused to lend money simply because they had not time to investigate the security; yet any bank would have advanced the money, because the security was undoubted. At that time the Rochdale store had £40,000 in the bank, which money they could lend on the securities refused by the store, drawing five per cent., and paying the Pioneers 1½ per cent.

Mr. Allan (Amalgamated Engineers) thought they had better appoint a committee of inquiry to consider the question of Co-operative Banking, in connection with trade societies. In their banking business, trade societies were not so fond by this time of limited liability, and were apt to prefer the security of two or three good names for their funds. From some of the remarks made, it might be supposed that he was an opponent of Co-operation. He was a Co-operator 30 years ago, and was one still. With regard to the investment of trade funds, it was not so much a matter of security, as of getting at the money easily. Last quarter his society expended £7,000 more than they received. The whole of the trade societies throughout the country were thoroughly bankrupt.

Mr. Applegarth (Amalgamated Carpenters): I must protest against that statement.

Mr. Allan: With the exception of Mr. Applegarth's, which I believe is the only one that has not been paying away larger sums than have been received. Many trade societies want to borrow money. Mr. Allan concluded by advising that representatives of trade societies should be on the proposed committee.

Mr. Lloyd Jones asked Mr. Allan if his society had not a balance of £90,000? which was not exactly bankruptcy.

Mr. Allan: If we have £90,000 from upwards of 300 branches, and 34,000 members, it is very little per man. (A laugh.) We are bankrupt compared with what we were three years ago.

Mr. Mitchell (Rochdale) reminded Co-operators that there was not a more sensitive trading operation than banking; and though it was a business they could manage, they would have to be cautious. He believed there was abundance of capital for the purpose, in the south as well as in the north, and that the business could be conducted with profit to all concerned. The committee must be practical men. As to security the large stores had thousands of pounds in the banks, with no more security than a bit of paper—they held no deeds. He advised proceeding according to established plans, and altering and amending as opportunity offered.

Mr. Ludlow then proposed the following resolutions, which were adopted, with (it is believed) one dissentient voice* :—

1. That it is expedient to establish a Co-operative Banking and Credit Association, with a central office and branches; and that inasmuch as the business of banking is still excluded from the benefits of the Industrial and Provident Societies Acts, such Association be constituted under the Joint Stock Companies Act, 1862, with limited liability.

2. That the Association be formed as nearly as possible on the model of the North of England Co-operative Wholesale Society, and composed exclusively of Co-operative Societies registered either under the Industrial and Provident Societies Act, or the Joint Stock Companies Act; but no society to be deemed Co-operative which divides profits exclusively on capital.

3. Provided always, that Trade Societies of working men, which may obtain a legal position, may be admitted to become members of the Association, either by themselves or by trustees on their behalf.

4. That the business of the Association be—to keep the moneys, both on current accounts and on deposits, of Co-operative and Trade Societies, whether members of the Association or not; to discount the paper of Co-operative Societies, give guarantees for their transactions, and do all usual banking business for its customers.

5. That moneys be received on deposit from registered Friendly Societies, Benefit Building Societies, and individual members of Co-operative Societies.

Education.

The Congress then proceeded to consider the next question on the *agenda*, viz.—“The best means of making Co-operative societies mutually helpful—

- e. By Educational establishments, which may be rendered self-supporting by Industrial Co-operative enterprise.”

The Hon. Auberon Herbert delivered an address on the subject, in the course of which he remarked that one of the great difficulties among Co-operators was the want of Education on the part of their managers and officers. To remedy this, a college, or training institution, must be provided, which should bring together, under the same roof, the students belonging to it. Daily intercourse would promote enlightened zeal, and create that spirit which in Co-operation they wanted; it would enable them to train men, and to reproduce the early type of Co-operator which had begun the movement. The moving powers of the world would always be found to bring men together, forming them into associations or brotherhoods. They should also be self-supporting, or as nearly so as possible. Labour and Education must be combined. A committee in London might initiate such an institution, receive subscriptions, take a house to accommodate 15 or 20 students, arrange with educational institutions (such as the Working Men's College), or with different professors and teachers, to admit the students to their lectures and classes. It might in this way be done very inexpensively. The

labour arrangements could also be made by a committee. A good plan would be, for Co-operative societies to provide a certain portion of the funds, and to nominate a student. The institution should be carried out in the simplest manner. The students of the college should regulate their own affairs, elect their own captain, and make and enforce their own rules. They could then add for every trade its educational workshop. It was impossible to estimate the advantage which some such institution, worked in the simplest manner, might confer on the movement.

Mr. Ion Perdicaris read the following Paper on

Self-Supporting Educational Establishments.

I venture to assume that self-supporting Educational establishments are desirable, if they are possible; and propose to trace some of the steps already taken which may ultimately decide the question, still in abeyance, of how far they have been proved to be practicable. Among the most interesting of the educational experiments now being tried, I may point to the Lemonnier schools in Paris, which have been established by a society of ladies, organised by Mme. Elisa Lemonnier. The object of the society is to give women a thorough education, to enable them to support themselves by useful occupations; to extend, without hurtful precipitancy, the range of professional, commercial, administrative, and industrial avocations, already open to them; and to cultivate the sentiment of self-reliance and honourable independence.

The first of these schools was established in 1862; and in spite of the brief period which has elapsed, it is already, to a certain extent, self-supporting. It opened with only six scholars, and there are now four establishments in different quarters of Paris, of which one has 775 pupils. In addition to the ordinary branches of education, bookkeeping, practical science, industrial drawing, wood engraving, painting on porcelain, sewing, embroidery, and dress-making, are taught.

The schools more recently opened are still partially dependent upon voluntary subscriptions, concerts, and raffles of objects produced in the workshops of the establishment; but the original school, in the Rue Turenne, which numbers 200 pupils, very nearly paid its own expenses last year, and it is confidently expected that it will become entirely independent in another twelve months. The tuition fee is only twelve francs per month. Had each pupil paid in full, the amount received would have been 28,000fr.; the receipts from the workshop were 1,497fr.—making a total of 27,497fr. The current expenses for the year were 24,000fr., and the balance in favour of the school should have been 3,497fr.; but a number of pupils were absolved from paying the amount in full. Those apprenticed to the establishment paid nothing—their labour being considered an equivalent for the tuition fee; and a sum of 201fr. was distributed in the shape of prizes. The deficit was made up by the proceeds of a concert.

* That of Mr. Oliver Byrne.

To show the degree of proficiency attained in the artistic departments, it is only necessary to state that two engravings from the studios of the schools were admitted to the Exhibition of Fine Arts at the Palais d'Industrie, and that the works which were sent to the late International Exhibition received a silver medal. All distinctions of creed are ignored. After the pupils have completed their studies, the society charges itself with the responsibility of finding them employment in the various occupations for which they have been fitted. A Mutual Aid Society was organised last year by former students, who, not having need of help themselves, generously devoted their funds to the assistance of their young companions. Does not this rare blossom bear witness to the virtue of the vigorous principle with which the soil from which it sprang is impregnated?

Since (as I have stated) the directors of these schools gladly accept apprentices free of all charge, and consider the labour of these articulated pupils a remunerative equivalent for the admirable educational advantages they enjoy, it is clearly demonstrated that self-paid industrial, commercial, and professional education, even for women, is no Utopian scheme. The question now arises—whether it is not feasible to advance one step further, and to enable the student, by his own exertions, to pay not only for his education, but, at the same time, for his maintenance. A tentative essay to deal with this problem is now being made in the United States of America. The establishment of the Cornell University, at Ithaca, in the State of New York, is due to the combined bounty of the general Government, and of the Hon. Ezra Cornell, whose object (expressed in his own words) was “to found an institution where any person can find instruction in any study.” Professor Goldwin Smith’s acceptance of the chair of English Constitutional History, has already made the name of the Cornell University familiar to those Englishmen who are interested in the question of education. On July 2, 1862, Congress passed an Act “granting public lands to the several States and Territories which may provide Colleges for the benefit of Agriculture and the Mechanic Arts.” The 990,000 acres which fell to the share of the State of New York, were, after some discussion, appropriated by the State Legislature to the Cornell University, upon certain conditions, of which the most important were—that Ezra Cornell should endow the institution with 500,000 dols. (about £100,000), and that provision should be made for the education, free of all charge, of one student from each of the 128 assembly districts in the State, as a reward of merit for superior scholarship in the public schools and academies. Mr. Cornell not only complied with these conditions, but made an additional gift of farm buildings, with 200 acres of excellent land. He also presented the institution with the Jewett collection in geology and palæontology, which cost him 10,000 dols., and contributed other sums to the amount of 25,000 dols. In addition to this, Mr. Cornell has expended about 200,000 dols. in purchasing the land scrip, and locating the lands for the University. He had previously erected in the village of Ithaca, at a cost of

nearly 100,000 dols., a free public library, with large lecture rooms, which afford supplementary accommodation for the lectures and public exercises of the University. The institution (which has not yet completed its first year) is under the control of a board of trustees, of which several officers of the State are *ex officio* members. The members of this board (24 in number) are appointed for a period of five years only; and a very novel feature is, that one of the three new members who takes his seat each year, is to be elected by the *alumni*. Mr. Cornell is the actual chairman of the board.

The list of studies is so comprehensive, that a detailed synopsis is incompatible with the limits of this paper. There are three “general courses” of study, extending through four years; the scientific, the classic, and “combined”—the latter substitutes the modern languages for Greek. There are two “special courses,” of two years each. The first is preparatory to the departments of agriculture, natural history, chemistry, &c.; and the second to the departments of analytical mechanics, mechanic arts, civil engineering, and military science. We are told that particular attention will be paid to historical studies, political and social science, the study of human anatomy, physiology, and the laws of health. The University proposes to confer degrees of bachelor and master, not only of arts, philosophy, and science, but also of the special departments mentioned. No distinction of creed is recognised; nor can any trustee, professor, or student, be accepted or rejected on account of any religious or political opinion which he may or may not hold. The board of trustees have, with the avowed purpose of “breaking down one of the bulwarks of caste in colleges,” introduced, together with a military organisation, a University uniform—thus avoiding the contrast between the costly apparel of the rich, and the plain clothing of the poor.

There are at present about 280 students. The tuition fees are only ten dollars per month (less than £2), while the cost of board, lodging, fuel, lights, and rent of furniture in the University buildings, is at present 5 dols. 81 cents per week (a little over £1); but it is believed that, as soon as the farm under the charge of the agricultural department begins to be productive, this price will be considerably diminished. In order to aid meritorious students, no less than 40 prizes of 10, 20, and 30 dols. each are offered. A member of the faculty, from his private resources, offers a prize of 100 dols., which is the highest on the list. In addition to all the promises and assurances so prodigally reiterated, we are told “that the trustees are pledged to try fully and fairly the experiment of allowing the students, in appropriate departments, to do something toward paying their way by organised manual labour under scientific direction.” For this labour, they are remunerated according to the ruling market price. It remains, however, to be seen whether the conditions affecting this question render it possible to try the experiment fully and fairly. There are probably few who will not heartily sympathise with the noble

intentions of Mr. Cornell, or who will refuse to accord him the admiration his munificent generosity in such a cause so amply deserves; but it is difficult to avoid the conviction, that the manual labour scheme is likely to suffer by not being made an imperative feature from which no student is exempt—or, at least, a distinctive department. It should be remembered that the system of class exercises is adopted in American colleges, instead of the Anglo-European method of reading, and of attending lectures. Of course, lectures are delivered in American universities, but they are considered as supplementary to the daily class recitations.

It is evident that of two men of equal capacity, the one whose whole time is devoted to study, must outstrip his fellow-student who is compelled to occupy a certain number of hours in manual labour. And in a class composed of youths, one-half of whom are merely students, and the other half manual labourers as well as students, the latter would be over-worked, and the former hampered by their less advanced brethren. It is said that many of the poorer students, who flocked to the University under the impression that they could support themselves, have been obliged to withdraw because they were unable to keep up with their classes. According to the last official report, voluntary labour corps have been organised, and over 60 students have enrolled themselves for various kinds of labour. The same report states that young men having a trade, in some instances have partially, and in others entirely, maintained themselves. The report carefully avoids giving the precise number of such cases. The next line is very suspicious. It suggests that "no young man should come to the University entirely without resources." This is accompanied by the statement that "in no case is self-support, to any extent, during a course of study, an easy task." When the workshops which are now being erected are completed, and when the 150 acres composing the farm are under cultivation, the result may be sufficiently satisfactory to induce the board to make a frank and definite statement. At present, its guarded expressions are not such as to give the impression that the experiment of manual labour, in exchange for education and maintenance, will be fairly tested. It would rather appear that the authorities value more highly mere literary and scholastic *prestige*, than the solution of the important social problem which they have led the public to understand would be the characteristic feature of their institution.

It has often been asked whether female students are to be excluded from any participation in the advantages conferred upon the men of the State by the liberal endowments of the Government, and the munificence of Mr. Cornell—who, it will be remembered, used the term "any person," and not "any man," in proclaiming the objects of his institution. According to the strict interpretation of the University charter, women are not excluded; but it is generally understood that every member of the faculty would, without hesitation, resign, were this literal construction to be acted upon. Many applications have been

made to the trustees by women; and it will be admitted that the question has its dark side when it is known that one lady (of colour) wrote to ask if she could attend the University, and find employment as chambermaid at some hotel, for a part of the day, to pay her way. This is certainly a very severe shock to one's sense of academical dignity. We can believe that the learned professors shuddered at the suggestion. Yet, in all seriousness, we ask—Should cases of this kind be met with contemptuous discouragement? There is something heroic in the desperate valour which, for the sake of education, would brave constant ridicule and humiliation. On the contrary, should not the most strenuous effort be made to provide for those women who are not in a position to pay for education, and who will not accept it as a charity? What a rebuke to the attitude of the Cornell professors is the victory patiently and quietly won by the schools organised by Mme. Lemonnier, where female students have accomplished almost all they proposed to do, which the youths of Ithaca have thus far failed to achieve!

Were the Cornell University less ambitious, and were its rulers, instead of attempting to rival the older seats of learning in the Eastern States, content to devote their ample resources and magnificent endowments to practically inculcating the principles of Co-operation, and sending forth, year after year, bands of educated workmen, whose enlightened minds and well-skilled hands, acting in concert, would give dignity to labour—bands of workmen who would form the nucleus of Co-operative agricultural and manufacturing colonies, and occupy the lands which only wait to repay willing toil with bounteous harvests—thus giving birth to a state of society where every man would have a fair chance and equal opportunity; where there would be no millionnaires, but no paupers; no great landed proprietors to revel in palaces, and no maddened operatives to starve in hovels; and no conflicting class interests to awaken the demons of discord and hate,—had this been the primary object of the institute founded by Mr. Cornell, its rank among universities might be lower, but it would stand unrivalled among the instruments destined to liberate the struggling masses from the curse of poverty and ignorance—the parents of weakness that culminates in crime. It may be rash and immature to express the opinion at this juncture; but as I watch the signs of the times, my faith is strong that the day is not far distant when such an organisation as I have faintly sketched will commence the holy work of substituting, for the selfish interests of the few, those principles of Christianity and philosophy which will secure the welfare of the many.

In connection with the same subject was also read a paper by William E. A. Axon, F.R.S.L., on

Co-operative Libraries, and the Principles on which they should be Formed and Managed.

The present age may be characterised as an age of Libraries. Never were they so numerous as at present, and never were they more

extensively used. The great libraries of antiquity are more than rivalled by the national collections of England, France, and Russia; in value and in real extent the British Museum probably exceeds the Alexandrian library; and in addition to these noble institutions, we have now a large and constantly-increasing class of libraries intended for the use of those to whom the doors of the older libraries were rigidly closed. On trying to realise in our mind the immense number of volumes conserved in the national libraries—on thinking of the 602,000 volumes of the British Museum, of the 540,500 vols. of the Imperial library at St. Petersburg,—we can scarcely wonder at the notion which was once current, that in them was stored the sum total of human thought and human learning. The increase of bibliographical knowledge has dissipated this old error, and we now know that no single library can ever hope to make with truth a claim to completeness. The librarians of the largest collections will tell you mournfully of the thousands of volumes which they can never possess, and will confirm the truth of that ancient writer who declared it would be more easy to empty the ocean, and to count the grains of sand, than to count the number of books existing in the world.

Here, then, we may see the necessity for selection;—a necessity even for the largest of national institutions, but a hundredfold more imperative on smaller libraries.

A mass of books brought together upon no principle, has small claim to be considered a library, and has little chance of producing those humanising and ennobling effects which should flow from such institutions. From want of judgment in the selection of books, too many of our smaller libraries have failed to perform the work their founders intended. By what principles should the promoters be guided? In the formation of a private library, the only guides are the tastes and studies of the possessor; but in one intended for the use of persons of various ages, pursuits, and degrees of culture, there should be an effort at universality; all healthy tastes should be consulted, and (as far as possible) all shades of opinion should be represented; and the student in every department of human knowledge should find there something to aid his researches. Of course this is only possible within certain limits; it needs no art magic to know that a thousand volumes cannot cover the wide field of science and thought; but a thousand volumes, well selected, may certainly furnish an introduction to the sciences, and contain also most of those books which have exercised undying influence on the progress of the human race.

The aim of such a library should be to present an epitome of the entire circle of the sciences, and also to offer to its user those masterpieces of literature which all ages look upon with reverence; and, in addition, as many healthy and interesting works of fiction and lighter literature as possible. How sadly many small libraries fall short of this ideal; how little assistance they can give to those desirous of studying the laws of nature, or of gathering wisdom from the pregnant words of the wise departed,—all who have had any practical acquaintance with them must be fully aware.

Few of the Co-operative libraries, we should think, will have much less than a thousand volumes on their shelves; and if the aims above indicated are kept steadily in view, it will be possible with that number of volumes to provide information—elementary information at least—on most of the topics which affect the wellbeing or excite the curiosity of mankind. Having thus secured a good foundation, the superstructure may be erected at leisure; but care should be taken not to devote attention to the enrichment of any one class exclusively; a judicious balance should be kept in all parts. But whilst every library should thus aim at an encyclopædic character, each one should also have its special characteristics, and it should be a matter of serious consideration as to the precise class to which preference should be given. It is evident that books which in one locality are of great interest and utility, may in another be comparatively worthless. The only rule that can be laid down is—that immediate preference should be given to those works which bear most directly on the interests of those who will have to use them.

It is impossible within the limits of this paper to undertake a survey of the wide field of literature, or to give details as to the precise works desirable in each class. It would be wise, in the first place, to procure a good modern Encyclopædia, such as Chambers's, or the Encyclopædia Britannica, and then such collections as Weale's Rudimentary Series, Knight's Weekly Volumes, Murray's Family Library, &c. &c., and other similar series of concise works on science, history, and general literature. These will fill each class in about equal proportions, and each may be increased as opportunities offer and funds allow.

Co-operative libraries should, it appears to me, give especial attention to Social Science, and should contain the best information on the various social systems now or formerly in use, and the works of the greatest thinkers who have written on political economy.

After a number of good and serviceable books have been collected, the next care should be their classification for arrangement on the shelves. Now, it may appear a very easy task to arrange a number of volumes, and place together all those which relate to analogous topics; and yet experience shows that it is an extremely difficult operation, and one on which the widest diversity of opinion exists.

Mr. Edwards, who has paid much attention to this subject, and investigated it in a thorough manner, advocates a modification of Bouillaud's scheme, and arranges all the domains of human learning in six divisions:—I. Theology. II. Philosophy (Mental). III. History (Civil and Ecclesiastical), Biography, Voyages, Travels, and Topography. IV. Politics, Law, and Commerce. V. Science and Arts. VI. Literature and Polygraphy (Poetry, Novels, Essays, Encyclopædias, &c.) Variations of this scheme have been used in standard books of bibliography, and in various town libraries. The sub-divisions are too numerous to be here given; but an excellent scheme for the classification of a town library will be found in the second volume of Mr. Edwards' *Memoirs of Libraries*. One far less elaborate would amply

suffice for a small library; and each of the sub-classes should be distinguished by a class letter and a running number. This plan of having separate sets of numbers for the smaller divisions in preference to the general classes, is one that has not yet been tried; but has the obvious advantage of keeping together on the shelves all those works which relate to the same subject, and prevents them from being lost amidst a host of heterogeneous works.

Intimately connected with the welfare of libraries, great or small, is the question of Catalogues. The disputes as to the best methods of making catalogues have been so bitter and prolonged, that it is somewhat dangerous ground to enter upon. The chief objection against classed catalogues, is the impossibility of obtaining a permanent scientific classification. All schemes for that purpose are in their very nature artificial, and must sooner or later break down. Another objection is—that many books are of such a dubious or complex nature, that it is difficult to decide in what section they are to be looked for. The *Pilgrim's Progress* has not much in common with *Tom Jones*, and yet, if we look to form, they both belong to the class of prose fiction. To the same class, for the same reason, belong such politico-philosophical speculations as *Utopia*, *Oceana*, and *Gaudefia di Iucca*. Many other cases might be cited. Readers may naturally be divided into those who wish to see the works of some particular author, and those who want all the books on some given subject. If the library be a small one, the catalogue of which can be sold at a cheap rate, and with a prospect of soon exhausting the edition, the wants of the public will be best secured by printing in one alphabet the titles of the books, arranged first under the authors' names, and second under the names of all the subjects of which they treat; and also, in the case of fiction and literary miscellanies, under the first word of the title—of course excluding articles and prepositions. The last rule should be applied to all works issued without the writer's name; but where the writer of an anonymous book is known, his name should be added in brackets.

In addition to the printed catalogue, one should be kept for consultation at the library, each entry being written on a separate slip, and the additions to the library being catalogued as fast as they are received. As the proper cataloguing of a library is absolutely essential to its usefulness, a specimen of the method here proposed may perhaps be allowable:—

1. G 10. Paris: Les Associations Ouvrières en Angleterre (Trades Unions). [Par L. P. A. d'Orléans, Comte de Paris.] Paris. 1869. 12mo.
2. G 10. Associations Ouvrières. Paris. 1869.
2. G 10. Workmen's Associations. Paris. 1869.
4. G 10. Trades Unions. Paris. 1869.
5. G 10. Political Economy. Trades Unions. Paris. 1869.
1. M 9. Jennings:
An introduction to the knowledge of Medals. By the late Rev. David Jennings, D.D. 2nd edition. Birmingham. 1775. 12mo.
2. M 9. Medals, Knowledge of: Jennings. 1775.
3. M 9. Numismatics, Introduction: by Jennings. 1775.

In some cases it may be requisite to write a dozen entries for one book, and these entries, written on separate slips of paper or cardboard, and arranged in alphabetical order, will combine most of the advantages of a classified catalogue with the simplicity of an alphabetical one. In printing the catalogue, it may perhaps be required, for the sake of economy, to abridge the titles under the authors' names; in which case care must be taken to compress as much information as possible into the space available.

As our model library has now been carefully selected, judiciously classified, and well catalogued, we come next to the system of book-keeping, which should be as simple as possible. A register of stock, and a record of books issued, are indispensable. The stock books should be lists of the books in their proper order upon the shelves, and by these lists the library should be periodically examined, to see that each article is in its proper place, and that none are absent without leave. In the record of issues should be entered the title and number of the book, the name of the person to whom, and date when, it is lent, and the date of its return. This book should be examined daily, to see that no books are detained beyond the time allowed by the rules.

In binding the books, a plain strong binding will be found most serviceable; and in most cases all lettering may be dispensed with. Each book should, if possible, have over its binding a paper cover to protect it, and on this might be written its title and press-mark. Some of these details may appear trivial and unneeded; but it is from lack of system in their formation and management, that many small libraries fail to exercise the beneficial influence which they might otherwise exert. In conclusion: it is important to repeat that the value of a library must depend almost entirely upon the skill with which it has been selected; and unless efforts are made to give an encyclopædic character to these libraries, by a principle of universal selection, some persons, students of some phase of science, will have to be refused that aid which a library should give to all who consult it. And if these libraries are stocked with judgment and discretion, and managed generously and well, it is evident that they may be of great educational use, and have the happiest effects on the intellectual life of those who use them.

After the reading of the above Papers,

Mr. Cuddon wished to open the discussion by a definition of the word "Education," but the meeting became impatient, and the Chairman called him to order.

Mr. Oliver Byrne made an equally unsuccessful attempt to get a hearing.

The Rev. W. N. Molesworth, in order to give the discussion a practical turn, referred to the £500 placed in his hands for loan to Co-operators, which sum had been somewhat augmented, and was at the disposal of a committee of which he was a member. His wish was that it should be used for the establishment of a Working Man's Educational College, in connection with the Rochdale Pioneers' Society. He had broached the project, but the illness and death of their friend Mr. Cooper had delayed its consideration. He (Mr. Molesworth) would like to have the

opinion of the Congress on the subject. Book learning was apt to be overrated. Mr. Froude had said the object of education was to enable a man to do the work of the world in the best way. He looked upon the Co-operative stores as most valuable schools for learning the practical business of life. It would not be advisable for the Co-operators to found national or elementary schools, which were generally within the reach of all. It would be an injustice to vested interests to do so, and only the persons who lived near would benefit by them. They might, however, with great benefit, establish something like Co-operative Colleges, where evening classes could be held for the instruction of their members in more advanced subjects of education.

The Chairman (Mr. Mundella, M.P.) while recognising the ability displayed by many Co-operators who had not received school education, yet felt how much more effective that ability would have been had those who displayed it enjoyed the advantage of a good school education—that they would have been better Co-operators if they had been better educated. It had been frequently stated at that Congress that one of the greatest obstacles to Co-operation was the ignorance of the members, as well as of those who ought to be members. Therefore he was strongly in favour of education. (Mr. Molesworth: So am I.) And elementary education should be propagated by every lawful means. It was the duty of the State to place primary education within the reach of every child in the country; and there were some of them who would give no rest to themselves, and no rest to any Government, until that were done. The cleverer boys, who had received a primary education, should then be supported by Co-operative societies for a few years, that they might attain a higher or technical education.

Mrs. Law (the lecturer on secularism, &c.) spoke upon the necessity and justice of extending equal educational facilities to women as to men; and complained of the injustice of females being deprived of any advantage from the educational grants of Co-operative societies. The £500 at Rochdale should be spent—not in founding a working men's college, but a college for working men and women. The civilisation of the world waited for the education of women. The success of the stores depended greatly upon the women seeing it to be their interest to become purchasers. Men at present had undue advantages. Look at the Universities. If the women received a good education, they would educate the boys.

The Chairman quite agreed that it was all important to educate those who were to be the mothers of mankind.

Mr. Craig wished to see the plan adopted of combining workshops with schools, on the system practised at Cornell University, but commencing earlier in life. Work should alternate with intellectual education. This might be done best in the country.

Mr. Isaiah Lee (Oldham) thought education was easily combined with Co-operation. As Co-operators, they (at Oldham) suffered not from want of school education, but from ignorance of commercial matters. Another barrier was the want of social intercourse. To obviate this, a reading and conversation room was opened every day, Sunday included, and the leading topics of

interest were there discussed. They had an idea of commencing a night school in connection with the store. They had all the necessary means; and it was a disgrace to them that it had not been done long ago. The chief obstacle to the spread of Co-operation was the want of education.

Mr. A. H. Hill pointed to the shoddy and newspaper brigades in New York, as examples of what might be done by Co-operation combined with education.

Mr. F. Wilson hoped a permanent Council would be established, and that lecturers would be appointed to go into every village to explain the objects and benefits of Co-operation. He was sorry that the Congress had not taken up the subject of a Co-operative Newspaper, which was much wanted.

Mr. Applegarth (secretary of the society of Amalgamated Carpenters and Joiners) said that the discussion had ranged over such a wide area that anything he could say could not be very wide of the mark; but he would endeavour to confine himself to the question, which he understood to be—whether or not it was practicable or advisable to establish Educational institutions in connection with Co-operative associations. He was of opinion that it was neither practicable nor advisable. Experience had proved that the kind of education to which Co-operative associations had turned their attention was primary education, and to provide that was the duty of the State, and not of Co-operative societies. If Co-operative societies carried out successfully Co-operative production and distribution, coupled with a sound banking system, they would be doing an admirable work—as much as they ought to attempt or could hope to do well; and if the State understood and performed its duty, it would establish a compulsory and unsectarian system of education for the people, and thus lay a foundation on which such noble institutions as the Cornell College could successfully develop themselves, and with the help of well-disposed Co-operative or other associations or individuals could teach the higher branches of education, for which the people had been prepared. He contended that the State should provide primary education, see that the parents did their duty by compulsory attendance of the children at school; and then, if the employers of labour did their duty, they would refuse to teach apprentices without they had had some education; but, after engaging to teach them, it was then the duty of the employers to teach the apprentices the science as well as the practical part of the trade. This might be done by industrial schools in connection with large firms, or by the employers contributing towards the support of institutions which might be easily established for that purpose.

Mr. Slater (Bury) did not see any difficulty in combining elementary and advanced education. He found that four of the stores devoted £1,400 a-year to education. Was that money applied in the best way? They had a library of 5,000 works at Bury, and of 9,000 at Rochdale, and all the newspapers; and, in fact most of the stores had libraries and news-rooms, and he did not see why they should not branch out a little further. He did not agree with Mr. Molesworth as to the undesirableness of elementary schools.

Mr. Mill had said that an educated shoemaker made better boots. Primary education must precede technical. They should use the rooms over their stores, pay a master out of the educational rate, and give free education to every member's child. This would wonderfully improve the next generation—which would, he hoped, learn to listen better than the present one. The members did not usually live too far for their children to attend the store schools. But, indeed, the Co-operators wanted a little schooling themselves in order to induce them to get their children well trained. He agreed with Mrs. Law that the girls and women ought to have a news-room to themselves. Co-operators had sufficient funds to provide an excellent education for all; and he hoped they would see it to be their duty as well as their interest to be more liberal in this department.

Mr. Hodgson Pratt suggested that a portion of the educational fund might be applied in some of the ways pointed out, so that well-trained managers might grow up as they became needed from the extension of Co-operation. We wanted such educational institutions as the workmen on the continent possessed. Why should not the stores apply a portion of the 2½ per cent. to the creation of scholarships for supporting likely youths in such institutions as Owens College? They should also train women for managers, who succeeded better than men for small stores.

Mr. Greenwood (Rochdale) said they (the Pioneers) began twenty-one years ago with their news-room and library, from a thorough conviction that "knowledge is power." They had now ten news-rooms, with a reference library at each, and a central circulating library of 9,000 vols. They also loaned philosophical instruments to the members, such as telescopes, galvanic batteries, &c. The intellectual educa-

tion of women was all very well—but the most pressing want now was the education of their daughters in the kitchen management, the economy of food, and the right kind of food. This would be of the greatest advantage to the comforts of home, and the promotion of good temper. The Pioneers did intend to commence schools for children, but they waited to see what Government would do in the way of national education. It was in contemplation to commence night schools. A course of historical lectures had been delivered by Professor Rogers, free to members and the public. He must say that the educational advantages of their society had been a great means of keeping them together—offering a common pursuit, without which they would have split.

Mr. Meads (London cabinet makers) stated that one of their greatest difficulties was the want of trained managers. They were either not clever enough, or "too clever"—commonly the latter. He thought it probable that some excellent female managers might be found.

Mr. Hodgson (Barking) hoped that the supervision of a central organisation would be of use in promoting the employment of a better class of managers, and in assisting present managers and committees in the working of their stores.

Mr. Morrison, M.P., said another way of getting better managers would be, to pay them better. That was some key to the difficulty.

The Chairman closed the discussion by remarking that he thought primary education should be left to the State, because if Co-operative schools were opened, they would be filled with the cream of the population; and he liked to see the children of all classes educated together, so that they might form friendships, and not become "cliquish."



Fourth Day, Thursday, June 3.

The order of the Congress business would now have called for a consideration of Sub-Sections *f* and *g* of Section 2 of the programme, and of Section 3; but in order to meet the engagements of Mr. Archibald Briggs, Section 4 was taken first, viz. :—

“In Partnerships of Industry, what division of profits, as between Capital and Labour, is the most likely to produce perfectly harmonious action, and, therefore, the largest measure of success? In other words—what division is most equitable, and what *now* is most practicable?”

The Hon. Auberon Herbert (who presided) said—I am glad to have the honour of taking the chair, for I think we shall hear a most valuable and interesting paper from Mr. Briggs. I am sure you will extend your warmest sympathy to any form of Co-operation which promises to the working man that he shall not only bear the toil, but also share in the victories of successful Production. We have been inclined to give the name of “great” to those who rule great empires, and who have won great battles and made great discoveries; but I must say, that I think there is no man who has a stronger claim to our gratitude than the man who makes peace and good feeling grow in the hearts of men where once strife and ill-will existed, and who shows that it is possible to sweeten and lighten the toil of those multitudes in the midst of whom we live, by placing in their breast new hope and an honourable ambition. We hear often about the difficulties which exist between Capital and Labour. I am inclined to believe that those difficulties are exactly of the same kind as the difficulties with which we are constantly meeting in other paths of our experience. We have heard of “religious” difficulties, when it has been a question of education; and we have heard of difficulties in governing the people: but in almost every case those difficulties were of our own making, and would never have existed if we had only set about the right way of governing them. When you treat human nature, not “against the grain,” but “with the grain,” these difficulties vanish.

Mr. Archibald Briggs read the following paper on

Industrial Partnerships.

The question we have to discuss to-day is—What division of profits between Capital and Labour, in Partnerships of Industry, is the most equitable and the most beneficial to the joint interests of the two classes, and is practically the most workable. I will not therefore enter upon the wider question of the

advantages to be gained by Industrial Partnerships, which would require far too much time for me to do justice to it. Suffice it to say, that in our case all the parties interested are perfectly satisfied with the results obtained since we inaugurated the system in 1865. Directors and shareholders, managers and workmen, are all content; and I believe no one would on any account wish to go back to the old system of jealousy and antagonism.

Having now had four years' experience, and given much thought to the subject, we have drawn up an outline of what we think the most just and suitable arrangement, in the form of a scheme which we brought before the Trades Union Commission, and which we again presented to the notice of each member of that Commission after their report was issued—a report which we could not but consider as most damaging to the principle of Industrial Partnerships, conveying (as it undoubtedly did) the very false impression that it tends to “limit the profits of the employer to a fixed amount;” whereas, by our own experience, we have found our profits to be much more elastic, and to have materially increased, under our present system. The scheme of Industrial Partnerships which I have mentioned, is that which I propose to bring before you to-day; and I think the best thing I can do, will be (first) to read it in its entirety, so as to give you the general outline of it, and afterwards to enlarge and comment upon it clause by clause.

Outlines of a Scheme for the application of the Industrial Partnership Principle to any class of undertaking wherein Capital and Labour are associated, whatever may be the relative proportion between the amount of the former, and the annual remuneration paid for the latter:—

1st. That there shall be paid a rate of wages to the labourer, and of salary to the manager (whether the latter post be filled by the capitalist himself or his representative), not exceeding the average of remuneration ordinarily given for similar work performed in the same district.

2nd. That there shall be paid a rate of initial, or preference, interest and profit upon invested capital, which rate shall also not exceed an average of the rate of interest and profit usually derived from similar undertakings. This rate may vary according to the risks to be encountered in each special class of undertaking, from 5 up to 10, or even 15, per cent. per annum.

3rd. That if, after the payment before specified, and after a sufficient reservation has been made for restoration, within a reasonable time, of capital invested in dead works or depreciable stock, a balance of divisible profit remains, then such shall be divided as a bonus in the form of an equal percentage over the aggregate amount of capital invested, and of wages or salaries earned during the period in which such profit has accrued. Thus the earnings of each workman or manager in

respect of work performed during such period, will represent the "labour capital" upon which he becomes entitled to receive his share of profits in excess of the initial rate of interest payable upon "invested capital." To meet the necessity for allowing a prudential accumulation of profits, a further clause should be adopted, to the effect—

4th. That if the managers deem it prudent to appropriate any part of the excess profits to the formation of "reserve" against future contingencies, such shall be set aside in two funds—one to be called "Invested Capital Reserve Fund," and the other "Labour Capital Reserve Fund;" the amount to be apportioned between the two in the same proportions as if the sum so apportioned had been actually divided between the representatives of Capital and Labour as provided for in the last clause. It will be observed that in the proposed mode of appropriation, the labourer only receives the average rate of wages current for similar work, unless he can, by increased efficiency and care in his work, stimulated by the hope of additional reward, increase the profit of the capitalist over and above the average usually obtainable from similar undertakings. The capitalist cannot therefore be a loser by the arrangement, and may be a gainer. The only possible objection that can be fairly urged, is—that although the labourer shares in extra profits, he is not called upon to bear extra losses. To render the system unexceptionably fair, a further stipulation might be added, in the case of businesses subject to severe fluctuations, to the effect—

5th. That if during any year the returns prove insufficient to pay the full initial interest upon invested capital, such shall be made up out of the extra profits of future years, without any corresponding bonus on labour capital; or by an appropriation from the accumulated profits of past years—each reserve fund contributing towards such appropriation in the same proportion as it had participated in previous surplus profits.

Provision should also be made for the capitalisation of reserved profits when it is thought desirable to apply the same to the extension of the business—such increase of capital to become entitled, equally with the original amount of invested capital, to the initial rate of interest provided for: the interest accruing upon the capitalisation of each fund to belong to the class of partners from whose accumulated profits it is derived.

H. C. Briggs,

Chairman of Henry Briggs, Son, and Co., Limited;

Archibald Briggs,

Managing Director.

The 1st and 2nd clauses are drawn up with a view to the existing order of things. The rate of wages payable for almost all descriptions of labour is subject to frequent fluctuations; and as long as the system of Industrial Partnerships is the exception rather than the rule throughout the country, the rate of wages paid thereunder must be ruled by the general standards. These fluctuations—often sudden and violent—are, to my mind, exceedingly to be deplored. Whether the change be in the direction of an advance or of a reduction, it tends to unsettle both employers and employed, and to cause an uncertainty in business calculations which is subversive of the permanent prosperity of trade. It would, I think, be far better for both classes, could a certain moderate rate of weekly wages be fixed, subject to regulation at long intervals of years only—such rate to be sufficient to maintain

the workman comfortably, but economically—leaving the further fair share of profits coming to labour to be paid at the end of the year, or half-year, by which time it would probably accumulate so as to reach an amount worth preserving and investing, instead of being frittered away in personal indulgence, as is too often the case when it is received in the shape of a few shillings extra weekly wages.

I conceive, therefore, that the full, complete, and general adoption of the Industrial Partnership principle in its perfection, would not only render the weekly remuneration of the workman, and the initial profit of the capitalist, more reliable and permanent than at present, but would eradicate the cause of those constant heartburnings and jealousies (not to speak of the extremes of strikes and lock-outs) which are now, alas! too common.

The practical working of the 3rd clause may be exemplified by supposing a case in which the initial rate of interest payable on capital is fixed (as with us) at 10 per cent., and in which the capital employed is (say) £10,000—the annual amount of wages paid during the year being £6,000, and the balance of profit available for division £1,480. In such a case, the capitalist would be entitled, in the first place, to a preferential dividend of 10 per cent., absorbing the sum of £1,000; while the remaining £480 would be divided as a percentage on £16,000 (that being the aggregate amount of capital employed and wages paid), giving 3 per cent. to each. Thus the capitalist would receive 13 per cent., while the workman would receive 3 per cent. additional upon the amount of wages he had earned and received by weekly instalments during the year. This principle of division differs from our present practice—established experimentally—by which, when we pay 13 per cent. upon our capital to our shareholders, we appropriate to a bonus on labour a sum equal to 3 per cent.—not upon the amount paid in wages during the year, but upon our capital—the sum so appropriated being afterwards divided among the workmen employed, in proportion to the wages earned by each. I think the principle now proposed is more universally equitable than that which we have experimentally adopted, because of its greater adaptability to all classes of undertakings, whether the amount expended therein in wages be small or large. In our particular business, 60 to 65 per cent. of the whole cost of production consists in wages paid for manual labour; while in another trade, wages may only amount to (say) 5 per cent. on the cost. This variation does not, however, in the least interfere with the justice of the proposed principle of division, as the labour bonus will in each case be calculated upon the varying amount of labour-cost, rather than upon the fixed one of the capital employed: therefore, where 100 men are employed, 20 times more bonus will be available for division than where 5 men only are at work, provided the wages per head and the percentage of profit realised are equal in the two cases. It seems to me to be one of the chief merits of this system, that the proportion in which labour is to participate in profits will in great measure regulate itself; and that exactly in proportion as the labour

question is an important one in any trade; exactly in proportion as the prosperity of a trade is dependent upon the unity of interests subsisting between the representatives of Capital and Labour—so will this question be applicable as a remedy for the difficulties and dangers arising out of the present state of antagonism. The terms made use of in this clause (No. 3)—“Invested Capital,” and “Labour Capital”—seem to me to express very aptly the interest of each class in the joint business.

The 4th clause is an addition to the scheme, which makes it much more perfect and valuable. One great difficulty which is experienced by all who interest themselves in the welfare and improvement—physically, intellectually, and morally—of the colliers, arises from their restless, shifting character; and this is no doubt too much the case with all classes of manual labourers. They require more stability; they are too like the sandbanks of our coasts, ever moving about. As these latter are frequently rendered more solid by the introduction of binding weeds, which push their strong spreading roots in all directions, and retain the loose sands which would otherwise be blown about by the passing winds; so the establishment of a reserve fund, in which the men would be interested, would have the same strengthening, solidifying effect upon their characters. A man having an interest and a stake in the concern (even though he should not become actually a shareholder), would not lightly leave his employment without good cause, in the vague and often unfounded hope of finding easier work and higher wages elsewhere; perhaps dragging with him a wife and children, interfering seriously with the education of the latter, and breaking the bond between them and their teacher, just as they are becoming subject to his good influence. So long as *we* in our own case calculate the bonus on labour as at present, in the form of a percentage upon the larger sum of *capital* invested, rather than upon the smaller one of wages paid during the year—that is, upon invested capital, rather than upon labour capital—we cannot afford to allow our men to participate also in the reserve fund; but it is possible that we may eventually find it desirable to adopt the more complete form of Industrial Partnerships, which I am now bringing forward. Although this change would probably have the effect, for a time, of lessening the amount of bonus payable in cash at the end of the year, yet it would, I feel sure, result eventually in the further improvement of the condition of the men, and in binding more closely together the interests of Capital and Labour.

This establishment of a Labour-Capital Reserve Fund also prepares the way for the provision made in Clause 5, by which that reserve fund is rendered responsible, along with the Invested Capital Reserve Fund, for the due payment of the initial interest or dividend upon invested capital. This provision I look upon as the crowning stone of the edifice, binding all together, and giving a soundness to the system, in a politico-economic point of view, which it would otherwise lack, notwithstanding all its advantages. The chief objection raised hitherto

by political economists has been this:—“It is all very well,” they say, “to give your men a share of the profits in good times; but if they are to enjoy this, should they not also, in all fairness, be called upon to bear their proper proportion of the losses when trade is bad? And how are you to provide for this?” We now propose to meet this objection by the 5th clause, as far as at present appears to us practicable. So long as the manual labourer receives the whole of his income by weekly instalments, and spends it to-day, without forethought for to-morrow, he cannot be in a position, at the end of a bad year, to put his hand in his pocket and pay down his share of loss; but it will be a very great advance if we can induce him, by increased efficiency in his work, to accumulate a reserve fund which he can feel is his property, and which, being liable to be drawn upon in its fair proportion in case of need, will give him an appreciation of the fluctuations of the business wherein he is engaged. He will thus be educated for the new career opened out to him, and prepared to take his position as a thinking man, working with an interest in the results realised by his labour, instead of with the sole idea of doing as little work as possible for the pay he receives, and living the life of a cart-horse, which spends its existence in working, eating, and sleeping, without knowing or caring for anything beyond this daily round.

I may here name one idea which has lately occurred to me, and which, I think, might be acted upon by any company adopting our system. It is—whether, as an incentive to and initiation in habits of saving, it might not be a good arrangement, on paying the bonus accruing to labour, to reserve a portion of it—say one-fourth—to be invested as may be deemed most beneficial, in shares of the company itself, or otherwise. In this case, I would propose to open an account with each workman, in which he would be credited with his exact portion of this retained bonus, and with interest thereon, at such a rate as the returns realised on the investments might allow, after paying the expenses of bookkeeping, &c. For the management of this fund, I would propose that a committee should be annually elected by the men interested; of which committee, however, two of the directors or other officers of the company should be *ex officio* members. Further, to prevent the men from foolishly drawing out the amounts standing to their credit, I would propose that no one should have the power of thus withdrawing his portion, without laying his case before the committee, stating his reasons for wishing to withdraw, and obtaining their sanction. Should this rule appear *too* stringent, it might be modified; but my object in the proposal is to make it a matter of some little trouble and difficulty for a workman to withdraw his savings from this fund—at any rate until he has allowed them to remain quietly for a considerable length of time. I am particularly impressed with a feeling of the value of some such arrangement as I here propose, from my own experience of the hand-to-mouth manner in which the great bulk of our colliers live. I know many instances of

men who have been for months in receipt of such wages as your south country labourers would consider princely riches, and who, when sickness has fallen upon them, have in a fortnight or three weeks been reduced to the necessity of coming to us to beg for help to provide a morsel of meat, without which they could not regain their strength; their former extravagant style of living in many cases rendering them the less able to bear the change of diet which their reduced means necessitate. I feel it a most delicate matter, for one in a different worldly position, to speak strongly as to the improvidence of the working classes; but if we are to devise means to enable them to raise their position, by the establishment of such a system as that to which I have called your attention, it is our duty to consider the whole question from every point of view. We ought not—nay, we cannot—shut our eyes to the fact that much of the pauperism of the country, and especially much of the great distress which invariably recurs in seasons of depression and stagnation of trade, might be avoided by the poor themselves, if they exercised more forethought and economy. To my mind the great economical value of the ordinary form of Co-operative stores is—that they lead the working man to take the first step in saving, almost unknowingly and without effort; giving the slip, as it were, to the very true French proverb—*C'est le premier pas qui coûte*. In the case of our Industrial Partnership, we offer inducements and aids which have led many to take that first step: numbers, however, still hang back, and spend all as they get it. I think, therefore, that a system of (as it were) semi-compulsory saving, such as I suggest, would rescue very many of these from their present position of danger; and they would be induced, when once they have experienced the advantages to be gained, to continue voluntarily a course of provident conduct which, under other circumstances, they would never have entered upon. Thus they will gradually become safe from the dangers of want, and some provision will be made for their wives and families.

I think I have now given the heads of the scheme that we would propose, and briefly made such remarks upon them as occur to me. The subject, however, is a large and most important one; for in such a movement as that of Industrial Partnerships a false start is often fatal, or at least retards its spread for years. I trust, therefore, that in the discussion which I have thus opened, many valuable suggestions may be made which will be of use to all (and I trust the numbers will constantly increase) who are thinking of imitating our example. Before sitting down, I cannot but express my regret that the Royal Commission on Trades Unions, after hearing full evidence regarding our system, and the benefits accruing from its working (both from ourselves and our men), should have passed a judgment adverse to it in many respects, apparently without having properly understood the principles upon which it is founded. I will not, however, detain you on this subject; merely saying, that we have addressed the members of the Royal Commission thereon in a letter, of which I shall be glad to

give a copy to any one who may be interested in the matter.

Mr. Edward O. Greening agreed with the conclusions of the Messrs. Briggs, and thought they had by far the best of the argument as against the Royal Commissioners—when they said that the system limited the gains of capital—because it was the best plan that could be devised for capitalists; at the same time, it was not the most liberal to the labourer. The plan was precisely that of the Rochdale Mill after the company had taken one step backwards, and before they abolished bonus upon labour. In Messrs. Briggs' concern the bonus was relatively less than would be the case in cotton mills, where the aggregate of wages paid was small as compared with the capital. In the Messrs. Briggs' collieries the proportion of profit capital would receive would not be likely to satisfy operatives generally. In their own works (Greening and Co.) they had adopted a different plan—namely, giving half the surplus above $7\frac{1}{2}$ per cent. The stores limited the interest on capital to 5 per cent., and gave nearly all the additional profit as a bonus on purchases. This plan created and retained custom. It was possible that capital might derive increased benefits from being less exacting in regard to profits.

Mr. Ludlow said that the Messrs. Briggs' practice was better than their theory, or he would have a bad opinion of them. The plan of the paper seemed to be—to extract from the worker the largest possible amount of labour for the smallest possible bribe in the way of bonus. ("No," from Mr. Briggs.) It started with the idea that the capitalist was entitled to the full average rate of present profit; and that all the labourer was to get, beyond his average wages, was half of the extra profits created by his own extra exertions. Now, that was a principle upon which he never could act. He held with the view expressed, amongst others, by his friend Mr. Vansittart Neale, in his pamphlet—"May I not do what I will with my own?"—many years ago—that the profit did not solely belong to the employer, because the workman helped to create it wherever it existed, and had a right to share it; and ought not to be limited to such a share of it as could be made by extracting from him an extraordinary amount of labour. As a Co-operator, he protested against the principle that the capitalist is entitled to every fraction of average profit which he could get under the present competitive state of things, and that the labourer was only entitled to his wages, and to nothing extra except for extra exertion. He should be very sorry if such a plan were to be taken as the type of Industrial Partnerships. If it were, his sympathy with that form of association would be at an end; and he would feel bound, instead of promoting them, to strive against them. Moreover, the question was not simply one of bonus upon labour—it was quite as much a

* "May I not Do what I Will with my Own?" Considerations on the Present Contest between the Operative Engineers and their Employers. By Edward Vansittart Neale, Esq., Lincoln's Inn, Barrister-at-Law. London, 1852.

question of participation in management; and the only provision he could see for that in Messrs. Briggs' plan, was the compulsory retention of a certain portion of the profits, in order to be turned into shares. He was glad, indeed, to find that in practice Messrs. Briggs encouraged their workmen to take up shares, and promoted share clubs. Whilst opposing the theory now put forward, Mr. Ludlow expressed his admiration for the Messrs. Briggs, in having terminated the warfare at their works between Capital and Labour.

Mr. F. Wilson was also thankful to the Messrs. Briggs for having broken down the dreadful system of jealousy between Capital and Labour. One point needed delicate consideration—namely, that of workmen having to make a statement of their private means, and for what purpose they wished to withdraw money.

Mr. John Frearson said it was the easiest thing in the world to find fault. He could take exception to some part of the scheme of Messrs. Briggs; but, on the whole, it was the best experiment of the kind yet tried.

Mr. P. H. Holland said that when asked to join a Co-operative society, two questions occurred to him—first, should he get a fair remuneration for his own capital; and next, would its employment in the way proposed be for the good of others. He believed that safety was more promoted by moderate than by large profits; and that the safety of the investment was increased by a liberal bonus to labour, and the participation of all in the profits, even if the gain upon it were lessened. He considered limited liability societies unsafe, from the absence of the participation. To get capital, it was necessary to give it fair remuneration; next, a fair share should be given to the labourer, to secure his interest. But security was always of greater importance than largeness of dividend.

Mr. Lamport said there was a class of idle, ignorant, and careless workers; and one object of the plan of Messrs. Briggs was to turn this class to profit. If that could be done, it would be a great boon to society, and would not deserve Mr. Ludlow's reproaches. The reserve fund was the weak point. To get the confidence of the men, they must be left free. Special arrangements would be necessary for adopting the Industrial Partnership system to special businesses; and a most essential point of its success was a good system of bookkeeping, which should command the confidence of all parties.

Mr. Pare thought the world had yet much to learn as to the enormously-increased amount of wealth which would result from granting to every worker an equal participation of profits. His practical experience for many years in large employing establishments, convinced him that the gain would be almost incredible. He would ask Mr. Briggs—Why, as a matter of principle and right, the extra profits made by the increased care and exertions of the workmen should not belong entirely to them? The capitalist had his gain in this bonus arrangement by having his principal secure; and his mind was at ease, from the absence of even the fear of strikes and lockouts, and from the lessened necessity of constant overlooking which was

required under the old system of competition. Every workman, if he had an interest like the master's in the net result, would be a foreman to his fellow-workmen. Mr. Pare repeated that he could not see how, in right and justice, all the extra earnings from the adoption of the new system should not belong to those who produced them. He had recommended a plan similar to that of the Messrs. Briggs in 1854, in a paper read to the Dublin Statistical Society. The reply of the capitalist to his plan would probably be—"It is all very well that the workmen should take the profits in good times; but what is to be done when there are losses?" His reply would be—that the losses now experienced in trade were produced mainly from two causes incidental to the competitive system, which were both removable—disproportionate production, which caused a glut in the market; and irregular exchanges and panics, occasioned by the present unsatisfactory system of monetary arrangements. There ought not to be losses in trade, and would not be, if we had proportionate production, and a proper system of exchanges. He doubted if these evils would be cured by Partnerships of Industry. He did not discourage such attempts: on the contrary, he recommended the system to the notice of capitalists, who were deeply interested in it; as were, indeed, that large number of workpeople who were not sufficiently advanced to become thorough Co-operators. It was a step in the right direction.

The Rev. W. N. Molesworth regarded the subject before them as the most important social problem of the age. The Rochdale Manufacturing society had been blamed—and perhaps justly—for having gone backwards; but he was convinced they would never have gone backwards if those who wished to maintain the bonus to labour had been able to lay down the distinct principle upon which that bonus was claimed. His heart and conscience told him that the labourer had a right to share in the profits; but he did not distinctly see the principle upon which that claim was based. That principle must be defined.

Mr. A. A. Walton said that under Messrs. Briggs' scheme capital would always take the lion's share of the profit: nevertheless, it was a step in advance, and ought to be adopted, to end the strife between Capital and Labour. At that time there were about a thousand masons on strike in different parts of England. Both masters and men must be in fault for such a state of industrial warfare to be possible. Mr. Walton pressed it upon the Congress that energetic efforts should be made to bring the advantages of the Industrial Partnership principle under the notice of employers of labour.

Mr. Lloyd Jones did not wish that Mr. Briggs' paper should be regarded as expressing the conviction of the Congress. If working men became their own employers, they could apportion the profits to please themselves; but if the employer found the whole of the capital, there must be a compromise. If 3 per cent. would make peace between Labour and Capital, it would be the best bargain that Capital ever made; and if Labour could not get anything better, he would say, by all means accept it.

But he did not think the offer of the Messrs. Briggs would produce the anticipated result. He believed that a more liberal policy would pay better. Why should the labourer share in losses caused by reckless trading, &c.?

Dr. Bowkett said the poor man paid an enormously higher rate of interest than the rich; and this should be borne in mind in discussing the interest to which he was entitled.

Mr. Archibald Briggs said, in reply, that the amount of labour capital varied in proportion to the invested capital in different trades; so that, by proportioning the extra profits between the two, the labour element would receive profits according to the extent to which it entered into the work of producing; and this would apply to all trades. It was desirable that their labourers should be interested in the reserve fund. They wished to link their labourers to their interests, and make them partners with themselves; which would not merely help them in pocket, but give them a confidence and *status* they much required. The extra profit made by their mutually working harder, ought fairly to be divided. They wished to give their workmen a share in the management; but they must educate them first, and they were working towards that. He hoped some day to see a workman director on the board.

The Chairman said they had criticised Mr. Briggs' paper very freely, but they were all united in appreciation of his efforts to promote the interests of the workman, in spite of many difficulties with which their firm had to contend. One of these difficulties was, that certain employers in the neighbourhood had threatened to take action to break up the Messrs. Briggs' scheme.

The time at the disposal of the Congress being short, in order to expedite its business Sub-Section *f* of Section 2 of the programme, viz.:—"The best means of making Co-operative societies mutually helpful, by forming an organisation of all Co-operative Societies and Co-operators, at home and abroad"—was considered in connection with Section 5, viz.:—"The best practical means of promoting a knowledge of Co-operation among the people, and of diffusing the most approved plans for Conducting Stores, and other Co-operative Business."

Mr. William Pare, F.S.S. read a Paper on

Co-operative Organisation and Propaganda.

The most universally expressed wish in the very numerous letters, whether from societies or individuals, at home or abroad, which have passed through my hands as honorary secretary to the Arrangement Committee, is—that this Congress should not end in mere desultory talk; but that it should leave behind it some substantial memento of its existence: in short, that it should give birth to a permanent and constantly acting body, which shall knit together in one compact whole the present isolated societies, and thus render them really helpful to each other in their immediate

endeavours, and lead them on to higher and nobler objects. This is undoubtedly a hopeful sign. I have been for several years past endeavouring, through the pages of the *Co-operator*, to draw attention to the necessity of some such action; but, except for this recent expression of opinion, it would seem in vain. It was my intention therefore to have addressed you at some length, argumentatively, on the subject; but as there appears to have been a foregone conclusion, I shall confine myself chiefly to the consideration of a practical plan of carrying out what appears now to be all but a universal wish.

First, however, let me ask—Where are we, and what are the results of Co-operation to-day? During the last quarter of a century, the "Rochdale Pioneers" have by their example been the means of calling into existence somewhere about a thousand societies whose aim is to supply themselves with articles in daily consumption, principally food, of genuine quality; and by economising the cost of distribution, to apportion among their members, at stated periods, what would otherwise be the profits of the shopkeeper and the merchant. Some score or two societies have advanced a step beyond this, and are attempting, amid great difficulties, for want of more extended co-operation and greater knowledge, manufactures of various kinds. The Rochdale society, by dint of "pegging away"—to use Abraham Lincoln's expressive phrase—has grown positively rich;—so rich, that at present they know not what to do with their accumulated capital, and are actually re-distributing it among their members. And I now ask here, as I have asked in one of our journals recently—Is it not desirable that this money, which has been rescued from possibly wanton or improvident waste—or, at least, from competitive strife—should be devoted to further Co-operative effort? Or is it come to this, that the working classes, after complaining for generations that they have been "down-trodden by landlords and capitalists," and asserting that if they had but capital they could manage things better—are, after a quarter of a century's certainly noble effort, to proclaim that they cannot rise above shopkeeping? That they who, in combination with capitalists of a distinct class, but whose interests are in many respects antagonistic, create all wealth—which, under the competitive system, is so imperfectly fabricated, so dishonestly adulterated, so inequitably distributed, and withal is so limited in amount, compared with what it would be under a scientific system of production and distribution—cannot employ themselves on their own capital; but must be content to be for ever the slaves of a vicious system, which seriously deteriorates every class of society, but especially that class which depends for existence on money wages?

Having, by dint of thrift, industry, and Co-operation in a very limited and initiatory phase, amassed a considerable amount of surplus capital, why should they not go forward, step by step, to produce by their own labour, and that of their fellow-Co-operators in other localities, all their more immediate and everyday

wants, in the way of food, clothing, and dwellings, in scientifically arranged self-supporting villages, or "Associated Homes," with their pleasantly-constructed and attractive workshops; taking care to observe *proportionate* production, and thus avoiding gluts on the one hand, and scarcities on the other; and by a federal union exchanging each others' surplus products on equitable principles, and through the medium of Labour Notes, and quite independently of the fraud-producing currency of competition?

It is quite evident that all the material elements by which this state of things may be inaugurated, now exist among the Co-operative body. There is, too, a select number of practical men who would serve as leaders—men who collectively have for years studied Co-operative principles in all their ramifications, and some of whom possess the most valuable experience, from having been prominently connected with experiments of incipient communities in England, Scotland, and Ireland, and are well aware of the causes of their non-success, and the means of avoiding them in future attempts.

What, then, is wanting? 1st. A general knowledge among the members of Co-operative stores that the course I have pointed out is practicable and necessary; and, 2ndly. A knowledge of the means by which it can be accomplished. Why do I say it is necessary? Let us see. Co-operation, as at present practised (setting aside a few notable instances) is limited to an economical method of spending income or wages. Over the amount of this income it has no control whatever. As to what share of the world's wealth, when created, shall fall to the lot of the labourer, and what to the capitalist, it has nothing to say. The hard earnings of the thrifty member of a Co-operative store are still under the thousand and one vicious influences of the system of competition and monopoly; still subject to the influences of "bad trade"—almost entirely produced by *disproportionate* production, and by a false system of exchanges; and which it would be difficult (if not impossible) to cure under the anarchical system of production, distribution, and exchange which obtains at present. Again: he is still subject to the competition of his fellow-workmen in foreign countries, where food is cheaper, or habits less costly—tending to reduce the rate of wages at home; still compelled to live in over-crowded and disagreeable towns, with their health-destroying atmosphere and soul-depraving influences; and, though last, by no means least in importance, still doomed to see his children ill-trained and half-educated—stunted in body and mind—and destined to run the same mill-horse round of unvaried, monotonous, and exhausting labour, which his fathers have run before him.

How, then, would I remedy this state of things? I reply in the words I used at the Conference which led to this assembly—"By preaching Co-operation to the Co-operatives." I mean chiefly the rank and file. For this and other purposes, there is wanting a special machinery, which I trust the Congress will call into immediate existence. Let a society be formed, to be called (say)—"*The British and*

Foreign Co-operative League," with a central board acting gratuitously, but with a paid secretary; and, as soon as may be, a staff of well-qualified lecturers, to make known the benefits of Co-operation in localities which yet know nothing of the movement, or in which there is a lack of courage to join it.

The functions of the Board would be numerous; e.g.—It would collect information, and encourage and answer inquiries, at home and abroad.

It would frame and disseminate a set of model rules for societies.

It might, too, classify the societies, as ships are classified by the committee of Lloyds, which would be useful in Insurance, Guarantee, and Banking; to say nothing of the benefits to intending members.

It would acquire—and, by its tracts or lecturers, disseminate—a knowledge of the best methods of commencing and conducting stores and producing establishments, together with the best methods of keeping and auditing accounts.

It might serve, also, as a centre of information as to Co-operative productions (home and foreign) for sale; and thus, and by other methods, bring the producer and consumer into contact.

It would advise and counsel in cases of difficulty and risk; and might, as a Board, or by some one or more of its members, arbitrate differences and disputes.

It would seek to bring about amalgamations of societies where desirable, or federations for common purposes.

It would elaborate, after due inquiry and consideration, a system of guarantee, banking, and exchange; so that the weak and the strong—those of old standing and long experience, and those just entering life—may be made mutually useful, helping each other's growth, and securing each other's success.

It would seek to further develop the Wholesale business, together with import and export, which the growing importance of the Co-operative movement so much requires.

It would carefully ascertain and record attempts at Co-operation which had failed, and the cause which had led to the failure; and hold up on high the examples, as beacons to future adventurers.

It would, of course, convene and arrange the business of an Annual Congress; which, perhaps, would create greater interest, and be of greater use, by being held in different places, year after year. To this Congress it would make a yearly report; and might receive from it suggestions or instructions for its future guidance.

And lastly, one of its noblest works, to my mind, would be—perhaps after a suitable experiment—to instruct the public generally; but especially "the household of faith"—the present Co-operatives—how, gradually and securely, to form, in suitable healthy localities, far apart from our present chaotic and demoralising towns, well-ordered communities, or "associated homes," based upon agriculture and horticulture, with some one or more staple manufacture, such as they or their brethren require, in the way of food, clothing, dwelling,

and furniture; thus supplying by their own labour, on their own land, all their most indispensable wants; and when several communities are established, forming direct markets for each others' productions, and getting clear of the cyclone of "bad times."

This central board, too, should take the initiative in founding—in connection with, or independently of, these home colonies—industrial self-supporting Co-operative Colleges, to which the members of Co-operative societies who at present could not be occupants of these new associated homes, might at least send their children, of both sexes, for training in really good and virtuous habits, and instruction, on the half-time system, not only in literary and scientific pursuits, according to the ordinary scholastic routine, but in useful trades and occupations, by which they may be fitted hereafter for a far higher sphere of usefulness and happiness than any class of society at present.

And now as to the funds for the support of such an organisation as that which I advocate. I will show you what is possible in this way, and from which you may deduce what is probable. I would admit as members of this Co-operative League, individuals of every class of society who were willing to subscribe some sum annually, the amount of which should be voluntary. Co-operative societies should be admitted in their corporate capacity, subscribing annually a sum proportioned to the number of members in each; and in addition, and to afford larger means for propaganda, I would furnish, through the proper officer of each society, to every member thereof, a printed form, running thus:—

"To the Treasurer [or Cashier] of the _____
Society.

Sir,—I hereby authorise you, until further notice, to retain from any and every quarterly dividend due and payable to me, the sum of _____, which I request you to transmit to the treasurer of the "Co-operative League," as a subscription from

(Signed) Name _____
Residence _____
Date _____"

And now let me give you an example of the power of numbers when working co-operatively. In 1867, the last year for which we have the Registrar's returns, there were 915 societies registered, of which 577 sent returns, showing an aggregate of 171,897 members, or an average of about 300 to each society. Assuming that the 338 societies which made no return had an average of only 60, or one-fifth of the foregoing average, this gives us for them 20,280; making a total for 1867, of 192,177, to which I add for probable increase since that year (say) 10,000, giving a grand total to-day of 202,177 members.

If, then, each of these 202,177 filled in the form I have just now read, with the sum of *threepence* only, as the quarterly subscription (being less than the smallest coin in the realm per week), it would produce over £2,500 per quarter, or £10,000 annually! And this would be raised at the cost to each member of an ounce of tobacco, or a pint of beer *quarterly*.

Some of you, I dare say, knowing too well the selfish character of a very large number of your fellow-members, may be inclined to think that many of them would use the form I suggest to light their pipes, instead of filling it up as I, and I hope you, would desire. And this would doubtless be so. I am satisfied, however, that if this simple plan be fully and fairly tried, it would, with the other sources of revenue to which I have alluded, produce a very respectable sum, and quite enough to float the "League."

That some central organisation of the kind I suggest is required, if only to encourage inquiries from places where Co-operation in its humblest phase is yet unknown, and to relieve individuals like the late William Cooper, and James Smithies, and the Editors of our Co-operative Journals, from an arduous and costly task—now too great for individuals to bear—must, I think, be apparent to all: and I repeat that no wish has been so universally expressed in the correspondence, as that this Congress should inaugurate such an organisation.

Mr. Pare concluded by reading some resolutions which he had prepared for carrying out his views; which, however, he declared himself ready to withdraw, in favour of some which Mr. Ludlow intended to offer to the Congress.

A Paper on the same subject was read by the Rev. H. Solly.*

Mr. Borrowman (Glasgow) then read the following Paper on

National Co-operative Organisation.

To all who are practically engaged in the extension of Co-operative enterprise, the subject of this paper is of paramount importance. With the experience of the past to guide and sustain us, it is at once the safest, the most practicable, and the most hopeful of the many schemes which are engaging the attention of working men, and of those who take an intelligent interest in their welfare. I am aware that certain individuals have advanced the theory—that the peculiar division of profit which is the distinguishing feature of the Co-operative store, is incapable of further extension. Under these circumstances, you will permit me briefly to state the principle on which such division is based, and also the result secured through its practice. The theory is simple. Recognising and adopting as its platform the self-obvious fact that all the wealth and all the labour in the world are expended in ministering to the luxurious living of a few, and in providing for the scanty sustenance of the many, it makes individual consumption the factor for the division of wealth; or in other words, it reduces the expense of living to the minimum, arresting and dividing among the many a portion of that wealth which, under existing arrangements, creates colossal fortunes for a few. In practice, the Co-operative store effects for its members a saving ranging from 5 to 12½ per cent. in the article of food alone. Therefore we hold, that if in the merely local dis-

* Mr. Solly's paper has unfortunately been mislaid.

tribution, and in the partial supplying of the wants of human life, the existing machinery of Co-operative stores is able to effect a saving of (say) 8 per cent., we have a sure guarantee that with an increasing power of supply, and with a more extended organisation (losing the local in the national), we shall open up new sources of wealth, create an identity of interest, and evolve a power fitted to become an active factor in, not merely the barren exponent of, the onward progress of working men, but able to find employment for their accumulating wealth, and thereby find employment for their labour. That local societies are unable to grapple with the situation, we have convincing proof: even Rochdale has proclaimed to the world that she can no longer employ the wealth she can create: thus virtually endorsing the assertion, that Co-operation has reached its acme, that working men lack the intelligence and the energy essential to the elevation of their class, and to the onward progress of the world; thus virtually accusing the eternal justice of Heaven; enunciating and proclaiming as the gospel of the truth, the degrading libel that working men are born to create, but not to enjoy, that wealth which under existing arrangements enables a few to traffic with the happiness and the comfort of the many. In the ruder ages of the world's history, the weak, the simple, and the timid were coerced into combination for the preservation of life alone: here the necessity was imperative, the object to be attained was simple and clearly recognised, therefore the union was easy, and proved efficient. In the lapse of time, however, the progress of civilisation evolved other conditions of life, which enabled the cunning and the unscrupulous to prey on their fellows: at the same time, complex and conflicting relations of capital and labour, of individual and combined interests, of industry and idleness, of candour and duplicity, of intelligence and ignorance, have made union a more difficult task, and a less efficient check. Hence it is that the union whose coercive power had proved equal to the preservation of life, has failed to preserve those sacred gains of labour, which, as the poet sings, "are life." Other societies are slowly but surely reaching the goal at which Rochdale has arrived, pointing us emphatically to wider organisation as the true solution of the problem; an organisation whose higher aim and truer policy would be the practical realisation of the sublime truth—that the welfare of the many is the only safe guarantee for the enduring success of the individual, and the advancing prosperity of the world.

As yet, the efforts of working men to secure this powerful union have proved a failure—partly due to the active hostility of opposing interests, but in the main to be attributed to the passive resistance of contented ignorance. Ignoring the world-wide platform of "each for all, and all for each," they have in many instances substituted the narrow and vicious policy of trade exclusiveness and local rivalry; thus perpetuating and extending the baneful and ruinous system of

competition. Their theory and practice has been moulded by the circumstances and surroundings of trade jealousies and local ambitions; which are, of necessity, transitory and changeable. Hence their action has been feeble or spasmodic—their success temporary or uncertain. But experience of the past, rightly understood, is valuable for guidance in the future; and failure in the practice does not necessarily imply failure in the principle. Therefore, with an ever-deepening conviction of its truth, and an ever-increasing confidence in its power, let us prove to the world that "union is strength." Individually, the voice of working men is feeble, and their arm is powerless; but intelligently and actively united, the voice of the people is indeed the voice of God, and their power is irresistible; for true Co-operation is in reality the self-interest of the united many, legitimately opposed to the self-interest of an isolated few. Do not doubt the issue.

The fact that wealth has been produced by Co-operative societies is instructive, teaching that there is a possibility of a future in which there shall be a juster recognition of the claims of labour, a more equitable distribution of wealth, and an identity of interests commensurate with the labour of the world. To foster and develop such an organisation, is a subject well worthy of the study of intelligent working men, and of those philanthropic co-workers whose sympathies are with them. Doubtless there are many hindrances to be removed, many obstacles to be encountered, and many prejudices to be overcome, in the partial extension of Co-operative enterprise from the retail to the wholesale trade; the spirit of competition, and the petty ambition evinced by some local societies, retarding and preventing its rapid, extensive, and legitimate development. Many of these societies, failing to recognise the power and mission of a Wholesale society, use it simply as a lever to force down other dealers. Others, again, cherish the delusion that individually they can purchase better than they can do through a wholesale society. Now, it must be obvious, that if in either of these ways a greater benefit can be secured for each individual member of these societies, the executive of such wholesale society is unequal to the task, and retail societies are losing the advantage of the situation—not through any inherent defect of the system, but through individual incapacity; and with the members rests the onus of rectification. We do not insist on the fact, patent to many, that where an individual or a committee is allowed to determine the policy of a society, the interests of advancing Co-operation are sometimes sacrificed to the self-interest, or self-gratification, of the individual. We would much rather gain your assent to the proposition—that each successive advance in the graduated series of combined effort, must, if intelligently and honestly worked out, be beneficial to all. Were it not so, the extension of the principle would be useless, the union of working men hopeless, the elevation of the many an idle dream. Once admitted that the extension of the

movement is beneficial, then the accumulation of unproductive wealth becomes impossible—Co-operation being based on the assumption that all the wealth in the world can be made subservient to the happiness of the many. With such a policy, with such faith, new fields of enterprise are within our reach. Let us become our own bankers, employing the surplus capital of one locality to develop the dormant resources of another; erecting corn mills, wherever the demand will prove remunerative; uniting to refine our sugar, and boil our soap; to manufacture our clothing; and, above all, let us unite to be the proprietors of the land on which we live. This is the true end and aim of Co-operation. Without it every other form of union will, sooner or later, prove a failure; for with each successive advance in Co-operative enterprise, with each addition to individual wealth, the value of the land will be enhanced, until the profits realised through Co-operation are swallowed up by the owners of the soil; and then, as now, the people will belong to the land, subject to the caprice and whims of arbitrary possessors. But with the land as it ought to be, belonging to the people, their happiness and comfort will centre in themselves alone.

Thus, you see, boundless are the possibilities, and infinite the resources, of intelligent Co-operation; for let it ever be borne in mind that we must co-operate, either intelligently for the benefit of the many, or mechanically for the benefit of the few. The capital we will not employ for our own advantage, will be employed for the advantage of others, at our expense. Strange, yet true, that reckless speculators, through the existing machinery of banks, borrow our money, and thereby add from 10 to 30 per cent. on the cost of the necessities of life. Do not blame them; it is human nature. Rather let us learn to measure the silent forces around us. Gaining experience from the past, let us be intelligent for the future. Ceasing to be isolated, let us unite to become powerful, grappling fearlessly with every condition of human life and human labour. Our success will show that the boasted cohesion of labour is in reality a thing of power, not merely a barren and a useless name. In conclusion: readily as we admit the necessity, and recognise the power, of national organisation, we must ever keep in mind that individual benefit is the true aim of intelligent Co-operation; and the true foundation of it must rest on individual self-denial—not only in the useless expenditure of money, but also in curbing the arrogance and dogmatism which make true union impossible.

Mr. E. T. Craig contributed a Paper on
Land, Labour, and Capital,

in relation to the Agricultural Labourers of Great Britain and Ireland, and the Peasant Proprietors of Belgium; and the Association of several Families in the Cultivation of large Farms, as at Ralabine, County Clare, Ireland.

Labour and Capital judiciously employed in the cultivation of the land, are the foundation of a nation's prosperity. In England, however,

the land available for tillage is limited in extent; and while Capital is fast accumulating in the hands of the wealthy, the labourers are increasing in numbers, till their competition is forcing the skilled artisan and the unemployed workman to seek a foreign soil, to obtain employment, or security, free from charity or dependence.

The Pauper class, too, is increasing, and becoming a heavier burden, and a greater source of anxiety to the community and to the government. The great and benevolent institutions of the country fail to stem the tide of poverty, waste, labour, pauperism, crime, disease, and premature death. There are causes in operation which in future are likely to intensify these evils. We stave off the evil day for the present, by supporting the poor and the criminal in idleness, or in useless unproductive physical exertion. Poor rates and pauper rations, it must be admitted, are the check-rein to the destructive passions of the ignorant and necessitous poor. But suppose for one moment, and for the sake of illustration, that the fountain of the poor's rates were once exhausted, or ceased to flow as at present—what would follow? Can any mind fill up the picture lighted thus by the glare of agrarian discontent? That can scarcely be considered a safe condition of things which finds one-twentieth of the population dependent on pauper relief. While other portions of the community appear to prosper, the labourer and unskilled artisan ever seems standing at the threshold of the workhouse, and apprehensive that some unforeseen storm of adversity may carry him or his children within its cold and deathly embrace.

The maintenance of the able and willing workman by charity is a false economy, and as a rule of action is as much political quackery as the empiricism of the healing art, which deals only with effects, physics the patient, and never investigates or cares to remove the cause of the functional or organic disturbance, which, like the disease of much of the poverty and the crime that exist, is capable of being ascertained, arrested, and prevented in the future. But in stopping the progress of disease, and in the removal of poverty, much that now stands in the medical and political pharmacopœias will become useless and obsolete.

It is a misapprehension of the relations between cause and sequence, to throw, as some writers do, all the responsibility of these conditions upon government, or upon sections of the community. Although all parties can contribute towards the amelioration of the physical condition of the people, the causes of many of the evils around us arise out of the transition state of our civilisation, for which no class can truly be said to be wholly responsible.

As it is manifestly easy to produce a superabundance of food, clothing, and dwellings while a large proportion of mankind are either in actual want of these necessities, or in fear of being reduced to that condition at some future time, the question of a wise and economical distribution of the products of industry becomes one of great and increasing importance. This relation between Labour and Land should, therefore, command the earnest solicitude of every Englishman, and claims the special attention of

the economist and the statesman. There are, I know, many who with unreflecting callousness would always "let things alone," averring that "competition will bring matters to their proper level." There is, however, a terrible sequence in the logic, if followed to its ultimate results; as it means, as Carlyle indicates—"Success to the strongest, wreck to the weakest, and in the race of competition, the devil may take the hindmost."

Several thoughtful and considerate men have suggested plans for removing existing evils. A glance at their remedies may aid us in arriving at a safe and sound conclusion. The British Parliament is earnestly legislating to satisfy a sentiment in relation to Ireland, and when that is attained, the hard and practical relations of the labourer with the land will demand and obtain undivided attention. The deliberations of this Congress may, if judiciously applied, aid future statesmen in dealing wisely with the waste unemployed labour and the many millions of reclaimable land of the United Kingdom.

One of our social physicians, a great thinker, and to whom we owe much in the literature of art, speaks of returning to the days of guilds patronage and heavy penalties, when "master bakers shall fix the price of bread," and "bankers under another name" shall fix the interest, or the price of money. He holds that, while Co-operation is better than unjust and tyrannous mastership, there is very great room to doubt whether it be better than just and benignant mastership. "An arrangement,"* says Mr. Ruskin, "may be supposed—and I have good hope also may one day be effected—by which every subordinate shall be paid sufficient and regular wages, according to his rank; by which due provision shall be made out of the business for sick and superannuated workmen; and by which the master, *being held responsible, as a minor king, or governor, for the conduct as well as the comfort of all those under his rule*, shall on that condition be permitted to retain to his own use the surplus profits of the business, which the fact of his being its master may be assumed to prove that he has organised by superior intellect and energy. And I think this principle of regular wage-paying, whether it be in the abstract more just or not, is at all events the more prudent."

"If (says he) no effort be made to discover, in the course of early training, for what services the youths of a nation are individually qualified; nor any care taken to place those who have unquestionably proved their fitness for certain functions in the offices they could best fulfil—then, to call the confused wreck of social order and life brought about by malicious collision and competition, an arrangement of Providence, is quite one of the most insolent and wicked ways in which it is possible to take the name of God in vain."

Mr. Bright says he would put the population of Ireland, by some means or other, to a greater extent than now, in possession of the soil of their own country;—a plan which would seem to indicate that he would employ the imperial taxes to pay the landlords for the land of Ireland.

Mr. J. S. Mill also holds that cottier tenancy ought to be abolished, as small landed properties and peasant proprietors are greatly preferable, in their aggregate effect on human happiness, to hired labour in any form in which it exists at present; because this condition is more consonant with prudence, more efficacious, more secure, and a greater restraint on the passions: and the state of peasant proprietor is far superior to that of an agricultural labourer, in this or any other country.

Evidence in favour of the advantages to be derived by peasant proprietorship, is found in Belgium, the Rhine Provinces, and Switzerland, where the contrast between the condition of the peasantry of Ireland and the agricultural labourers of England is at once striking and suggestive. The superiority in the condition of the people of Belgium over the agricultural labourers of Ireland cannot be attributed to difference in religion, for both profess the same creed. It cannot be referred to the superiority of soil, for the advantage in this respect is with Ireland, where there are three millions of acres of reclaimable soil waiting for tillage. The racial character is the same.

Belgium supports the largest proportion of human beings to the acre, on land that in great part was originally the poorest soil in Europe. I have recently seen large tracts of land, between Lisle, Malines, and Antwerp, which were formerly literally nothing more than barren sand, and yet by the labour and care bestowed upon its cultivation, it now presents an appearance of great richness and productiveness. The reason is very evident, and lies in the ownership of the land. The people seem to require little more than a surface, to convert the sandy subsoil into a source of agricultural wealth more productive than the richest soils of the largest farms in England. The question becomes, therefore, one of great interest and importance, in a national, economic and social point of view. In Ireland, the peasantry are poor and discontented, while rebellion is only smothered by the suspension of the *Habeas Corpus Act*. Ireland has the richest soil—Belgium the poorest. The land of the latter was too poor to be appropriated at an early date, to gratify the acquisitiveness of vikings or barons of old, and the farms now average about eight acres each. Belgian industry and prudence, with ownership of the soil, have led to this marvellous change of the surface. The Belgians illustrate the saying of Arthur Young,—"The magic of property turns land into gold." Belgium is a standing admonition to the governing classes—what to do with the unemployed labourers of the United Kingdom, and of Ireland especially.

The process of the change in Belgium could be traced in several districts from very rude beginnings. In some localities the marshy character of the land precludes the possibility of growing anything beyond a little broom. In other districts the sand is only kept together by the roots of heath. A small portion of such lands, if marshy, is surrounded by a ditch, part of this ground is covered with broom or brushwood, and part with potatoes; and perhaps a little clover. After a season or two, a small cottage and rude cowhouse will be erected. In two or three seasons the broom is cut, and sold

* Ruskin on "The Laws of Work." Smith, Elder, and Co.

in faggots for firewood. Manures, both solid and liquid, are collected with the greatest care, and used with the greatest liberality. That which in England is wasted, thrown into rivers, or passed into sewers, to absorb the ozone and vitiate the atmospheres of dwellings in towns, is there preserved as the equivalent of beef, mutton, and grain, taken from the soil for the food of man. Improvement goes on rapidly. A regular course of cropping is carried on, and in a few years the soil undergoes a complete change, and little difference can be observed between the soils which were formerly nothing but sand, and those which were originally good. The process is suggestive.

In one district I saw a boy, about fourteen years of age, with his sister still younger, harnessed with a rope to a barrow, conveying a quantity of rich mould from the surface of a field, to lay it upon a portion of bare sand. At another small farm I saw a man and woman, probably husband and wife, harnessed together, or rather each pulling at separate ropes attached to a harrow, the tires of which were wood, and dragging it over their little plot of tilled land. Not far from Ghent, a man was lading liquid manure from a barrel, fixed on the shafts of a barrow, and pouring the nourishing food of his plants into furrows or small drills, while the sun was shining with great heat on the midday work.

The fields and farms are merely separated by a small trench, about the breadth of a spade. No hedges, as in this country, interfere with the productiveness of the soil. In Belgium, grazing is the exception—tillage the rule. Cattle are stall-fed. In some five hundred miles I did not see more than fifty head of cattle in the fields. In the farm-yard at Hougoumont, the key of the position on the field of Waterloo, I saw about sixty sheep turned out of the stables. They, however, seemed only half-fed, or poisoned by being so closely confined and deprived of fresh air. The peasantry, however, devote great and incessant attention to the proper cultivation of their little properties, and apparently worship their mother earth. The crops were cleaner, more healthy in appearance, heavier, and more forward than those of the same kind I had seen a few days before in the south of England. The fields were cultivated, in many cases, as fully, and were as heavy in produce, as those under the management of market gardeners near London. By incessant and untiring industry, a family can live and thrive on an average of about six acres of moderate land.

The same prosperous results arising from the high cultivation of the land are observable in the Rhine Provinces, and in Switzerland. In every canton may be seen convincing proofs of the fruitfulness of the soil, when stimulated by the industry and prudence of the peasant proprietors. Agriculture there affords great comfort to a numerous population. There is great independence of character, although surrounded by adverse natural conditions—the inconstancy of the seasons, late frosts, heavy rains, and mountain sides; and yet the people everywhere bear the impress of comfort, health, and contentment.

In opposition to this subdivision of the land, with small isolated families of peasant proprie-

tors, it is contended that the spirit of the age in England is towards large farms, and in Ireland to grazing rather than tillage.

It must, however, be conceded that the sum of production is greater from small farms, as in Belgium, than from large holdings, as in England; while the crops are larger, the comfort and contentment of the people much greater; trade and commerce are better sustained by peasant proprietors than by farm labourers.

In the debate on Irish Land Policy, in the House of Lords, May 7th, the Marquis of Clanricarde said he perceived, with regret, that the noble Earl, the Secretary for the Colonies, seemed to think it was desirable that the class of peasant proprietors should be extensively established throughout Ireland. The Marquis was in error in stating that was a system which had been tried in other countries, and had been found a lamentable failure.

There are, however, disadvantages in small peasant farming, one of the chief of which is the impossibility of employing machinery and scientific appliances, as on large farms. A man who farms only a few acres of land is seldom, as we have seen, in possession of the best means of tillage. He therefore expends a great amount of force, which in combination with others might be utilised to the advantage of greater results, with more leisure for the mental and moral culture of all.

Science teaches us the simplest means of obtaining the greatest effect with the smallest expenditure of power, and with given means to produce a maximum of force. The unprofitable waste of force in agriculture is characteristic of an absence of knowledge, or of a will to use the teachings and experience of science. The savage is compelled in hunting to consume force, in order to supply matter for respiration in the flesh of animals, to support the action of oxygen on the carbon of the blood, arising from the waste of his tissues. In civilised life, the cultivation of our grain crops has ultimately no other object than the production of the maximum of those substances which are adapted for assimilation and respiration, in the smallest possible space, for the sustenance of the vital fluid, and the maintenance of health and vigour. I therefore ask whether it would not be better economy, in relation to human labour, life, and happiness, and also the wisest application of capital, to combine several small farms and families on large Co-operative Farms, with separate but associated dwellings and interests, as formerly at Ralahine, in the county of Clare, Ireland?

The same motives that make small peasant proprietors industrious, prudent, and prosperous, might be brought into activity, and with many evident advantages. Labour is unquestionably most productive under a system of large associated industrial enterprise, where all have an interest in the amount of produce raised. The produce, if not absolutely greater, is greater in proportion to the labour expended; the same number of persons can be supported with less toil and care, and have more leisure. The sum total of human happiness is thereby increased to an incalculable extent.

The days of patronage are gone, and the labourer must be dealt with as an independent

agent in the development of his own highest capabilities. To divide the land into small farms and separate families, is to go backwards, and to ignore the light of science and economy in production and distribution. To convert cottier tenants into peasant proprietors, would be—in Ireland at least—to revive the past. Prosperity and happiness would be impossible, in consequence of the system leading to a redundant population.

By Co-operative farming the standard of existence would be raised, and the people themselves would become the willing agents in their own elevation, and would govern the relations between production and population, as was illustrated by the arrangements at Ralahine. Nothing is more demonstrable than that combined exertion in the economy of labour and distribution leads to superfluous wealth. What therefore is required is confidence, on the part of governments and of large landlords, that under Co-operative farming property would not only be more secure, but the land improved and better cultivated, rents punctually paid, and the interest on the capital employed always available.

A knowledge how to select fitting labourers for the work, is the best step towards immediate success. A wise commencement thus made, would quickly show how the condition of the whole people might be ameliorated; and peace, prosperity, and happiness would crown the enterprise.

I cannot here enter into details, but would suggest that a committee or council such as this Congress will doubtless appoint (before it breaks up) should devote their especial attention to this great work of the future, and lay the results of their investigations before the body which they represent, as also the parliaments, and the governments, and the peoples of Europe and America; for the world will, ere long, gladly listen to wise and earnest pleadings for the practical economy of force, in the promotion of a higher development of general intelligence, peace, abundance, and happiness, for the members of the great family of Man!

Mr. G. J. Holyoake read a Paper on a

London Co-operative Board.

A Congress can only be rendered useful and enduring by its chief business being foreseen and pre-determined. Notwithstanding the experienced zeal and judgment of Mr. Pare, I should have said we have had too little time to prepare for this Congress, did I not think it would justify its existence if it did no more than authorise the formation of a Central Board, which shall be a sort of Executive Congress, permanently meeting. There is good reason why this should be done.

Co-operation is being overrun by the vermin of Competition, who see with selfish eyes an escape from misery to money in the new system, and see nothing else in it. Co-operation—like the corn-laden caravans of merchants in the desert—is seized upon by marauding bands, who carry off treasures intended for honest sale. Once it is discerned that Co-operation creates wealth, swarms of

mere mercenaries swoop down upon it, to avail themselves of it as a means of gain—caring nothing for the social education and equality it was intended to promote, and can and should promote. This is not unnatural, but it needs to be mitigated. Every society being a democracy, in which each member an hour old has an equal voice with the Co-operator of a lifetime, central Co-operative direction—which shall help to equalise social knowledge—is a necessity, as an authority sustaining old societies, and indicating the path to be taken by the new. We have had many religions in England, but only one religion of industry, whose name is Communism—the first article of whose creed is Co-operation. This creed does not want priests, but it wants preachers.

Though well illustrated in Rochdale, Co-operation is not exhausted there. Infinite applications of its principle lie beyond. Co-operation lies like the gold fields over which the savage treads, unconscious of the treasure he tramples upon. Its value needs pointing out. No society can know everything—and generally does not want to. Occupied with its own business, it does not seek to know much; and if it did, it could not in this case, for the facts of industrial progress float, as it were, in the air of literature. They do not descend to any local society. But if a Central Board of Co-operative Direction is once well established, and made universally known, new social facts will gravitate towards it—it will be a sort of social Mecca to which pilgrims of progress will tend, having information to ask and to give. The societies are arranging to establish an organ of their own. To its columns, thinkers and practical socialists will willingly contribute, when sure of a large and discerning audience; and here the communications of a London Board would find the precise readers it would seek.

Believing with devoutness in the social truth which Coleridge discovered, Leigh Hunt expressed, and Robert Owen demonstrated—that the errors of mankind proceed more from defect of knowledge than defect of goodness—I am sure that wise direction will tell in the Co-operative field. Politics go by partizanship, but Co-operation goes by intelligence. Societies, like individuals, go wrong in nine cases out of ten, because no one to whom they listen tells them how to go right. What find we at Rochdale? A news-room which (as Mr. Bright said in the House of Commons) the Athenæum does not excel; and a stately hall of books which the London Library might covet. How came all this but from wise foreseeing counsel, which at the first said—"Set apart a fraction of your quarterly profits for an educational fund?"

Elsewhere there stands a noble pile of buildings: the Co-operators who own it are counted by thousands. No educational fund was devised in the infancy of the society. Now, no will is strong enough, no reason can prevail, to retrace the deplorable step. Ignorance grows upon a society as upon an individual. It stiffens its limbs, it bows its head, it dims its sight, it enfeebles its mind, until it retains nothing but the courage of ignidity; and to gratify that, it walks in ignoble ruts all its days. Such a society may

grow, but it has neither suppleness nor soundness; its largeness is puffiness, and a shock of adversity brings it at once under the hands of the coroner who sits in the Bankruptcy Court. Timely information might avert this imbecility; for since you cannot make Co-operators out of fools, it is prudent to take care that they do not overrun the society.

A "London Co-operative Board" might make a title for what is wanted. The words "British and Foreign" might be used as a sub-title, indicating the scope of the board, without compelling the words to be used in describing it. A long name is a social calamity. "The British Association for the Advancement of Science" has eight words in it. Many of its best members have left it, worn out by exertion in writing the name. "The National Association for the Promotion of Social Science" is a nine-worded society. Its name must be fatal to it, sooner or later. A three-worded name, like "London Co-operative Board," might, perhaps, be borne; the term "London" serving to indicate, throughout Great Britain and abroad, where the board is situated. In the first instance, it might be composed of a few members, of Co-operative repute, who should decide upon its constitution and management. It is only necessary to say further, that every president of a Co-operative society should be a member of it during his term of office; and every Co-operative society should be requested to make an annual vote to its funds. I agree with Mr. Beggs, that one of the latest evils of civilisation is the multiplication of new societies. But we have to do with a movement which no longer asks any man's leave to exist. It only remains for us to concentrate some means for aiding it; and if the Congress is of opinion that such a board as I have ventured to indicate may answer this end, I ask it to forthwith appoint a few competent and willing persons to commence it.

There still remain among us a few whose experience dates back to the strong days of hope and struggle, when modern Co-operation arose. Their knowledge is priceless and practical. Time has not changed their convictions. Their talent and services have lent lustre and strength to the movement. They are dying from amongst us. At every meeting we miss some well-known voice—men who pass away and leave no successors of their type. If this project of a London Co-operative Board is a wise one, it should be resolved upon at once, while some of those are yet with us whose lives will be one of the traditions of Co-operation, and who will hereafter be its authorities.

Mr. J. M. Ludlow said it was remarkable that, although we claimed to be a very practical people, yet the Germans had succeeded in carrying out successfully the organisation of Co-operative societies in a way which we were only talking about. As Mr. Morier's paper had partly shown, and as appeared more fully from the publication he held in his hand—the last yearly report of the German Co-operative bodies (a document corresponding to Mr. Tidd Pratt's yearly return, containing as much detail, and far more interesting; and

yet got up and published by the Co-operators themselves*)—the Co-operative movement was organised in Germany already. Out of about 1,900 societies, 784 are in union, paying a regular contribution to a central board, with a man like Schulze-Delitzsch (one of the recognised leaders of the Liberal party in the North German Parliament) at its head, and receiving a regular salary for his office. Under the general union are some 28 local unions—not always identical in character—some apparently comprising all Co-operative bodies within a given district, as "The Union of Associations of the Kingdom of Saxony," or of "East and West Prussia;" some confined to particular kinds of bodies, as "The Union of Credit Associations of Upper Hesse," or of "The Associations for Consumption of the Province of Brandenburg," or of "The North German Shoemakers' Association." Now, we wanted a similar organisation established in this country. But the true centre of Co-operative action was still in the north—not in London, where he had seen many attempts to centralise the movement fail. And he wished to see the country organised, district after district, or county by county, into unions, like the unions of Mechanics' Institutes, meeting yearly by their delegates; and out of which, at such meetings, a central body should be elected which would command general confidence. They should also have a consultative committee in London, for legal and legislative action and general counsel. The central board so to be elected should be the representative of British Co-operation, with power to take such steps as may be deemed advisable towards entering into relations with Co-operative bodies and friends of Co-operation abroad. He read (without proposing them) some resolutions to this effect.

Mr. Ireland said that an Association of Societies had existed for about three years in the South of England, which had brought Mr. Mill into the Co-operative world, and done much good.

Mr. Webster (Rochdale) said there was in the North of England a Co-operative Conference which met annually, with a standing committee. It was supported by a levy on the societies of a farthing per member. He thought the London Board might be arranged to work with the Northern Conference, and carry out with them all necessary works of the movement.

Mr. Newton (Framemakers' and Gilders') complained of an adverse article in the *Standard*. They were embarrassed, like many other firms, because their trade had increased more rapidly than their capital, which however had increased from £200 to about £2,000 at the present time.

Mr. Meads (London Cabinet Makers) said it was only by an amalgamation of societies that the small societies of production could obtain the market they required. He thought the London Council and Northern Conference would work in conjunction.

Mr. Lloyd Jones said that though for business they might want several centres, for direction

* Jahresbericht für 1887, über die auf Selbsthülfe gegründeten Deutschen Gewerbs und Wirthschaftsgenossenschaften. Von H. Schulze-Delitzsch, der zeitigem Genossenschafts Anwalt. Leipzig, 1888.

they only wanted one, which should be in London. It should supply information, and teach Co-operators that besides dividends there were twenty other things to be aimed at. From London they should send the action which should unify the societies, and give meaning and effect to their work.

Mr. William Nuttall (Oldham) said that the London people were their thinkers. They were continually wanting advice, for Mr. Tidd Pratt was constantly hampering them. United action between London and the north was what they wanted.

Mr. McInnes (secretary of the Scottish Conference) said that in Scotland their Conference had been of vast benefit to their societies. By its exertions they had raised the capital in two years from £25,000 to £160,000.

Mr. Burns (Highbidge, Devon) said there was a small society in Bristol almost in a state of bankruptcy for want of due advice. They very much needed some such Council to advise their young societies. He was the only representative present from the south-west of England.

Mr. Macleod said they were trying to form several new societies in Manchester, and were continually asking for information. If practical Co-operation was in the north, thoughtful Co-operation was in London.

Mr. A. Greenwood thought a Council in London, co-operating with them in the north, would best meet the case. They wanted a centre. He also quite agreed with Mr. Ludlow's view as to County or District Unions: even leading Co-operators were not known to each other.

Mr. Whittaker thought a Council in London and the Conference Committee in the north, would work together for great good.

Mr. Pare said the pressure for information on individuals was immense and costly, and rendered the establishment of a Central Board imperatively necessary.

Mr. Webster thought a Provisional Board appointed in London would form part of the Conference Committee in the north, and might work with the two Conferences now existing in Scotland and the north of England.

Mr. Ludlow said the opinions offered during the debate clearly indicated that the framework of his resolutions required alteration. He therefore withdrew them, and substituted the following, which was adopted unanimously:—

“That, for the better organisation of the movement, a provisional committee be appointed in London, to act in conjunction with the existing Conference Committees in the North of England and Scotland, and which shall also carry out the resolutions of this Congress, and convene a Congress next year: and that the formation of county or district unions of Co-operative societies be recommended to such provisional committee as a basis for the general organisation.”

Some further discussion took place as to the number and composition of the proposed committee. Mr. Allan claimed that trade societies should be represented on the Committee. Eventually the following gentlemen, with power to add to their number, were appointed, viz.:—

Thomas Hughes, M.P.;
Walter Morrison, M.P.;
Anthony J. Mundella, M.P.;
William Allan, secretary of the Amalgamated Engineers' society;
Robert Applegarth, secretary of the Amalgamated Carpenters' and Joiners' society;
Edward Owen Greening, managing director of the Agricultural and Horticultural Association;
Hon. Auberon Herbert;
James Hole, secretary of the Association of Chambers of Commerce;
George Jacob Holyoake;
Lloyd Jones;
John Malcolm Ludlow;
William Pare, F.S.S.;
Hodgson Pratt, hon. sec. of Working Men's Club and Institute Union;*
Henry Travis, M.D.;
Joseph Woodin.

It was clearly understood on all sides that Mr. Vansittart Neale was to be requested to join the committee immediately on his return to England.

Amendment of the Law.

The Congress then passed to the consideration of Sub-Section *g* of Section No. 2 in the programme—viz.:—“The best means of making Co-operative Societies mutually helpful—*e.g.*, by seeking an amendment of the law where it is found to hamper Co-operative exertion.”

Mr. Thomas Hare (barrister-at-law) read a Paper on

The Claims of Co-operative Societies to the Use of Public Land for Agricultural and Building Purposes.

The principle of modern Co-operation, as it is understood by the members of this Congress, may be described as a resort to the more primitive condition of human labour. It realises what may be conceived of the earliest forms of association; for these, without any preconceived contract, are naturally directed to the production of the necessities of life, to be used by those who have been employed either directly in the work, or indirectly in the protection or sustenance of those who have been so engaged; and the distribution is measured by the individual need, as well as by the individual contribution to the common stock. But if it be in truth a return to the original principles which of necessity governed labour, and its result or its reward, it is under a multitude of conditions which, in the progress of science and art, have altered the circumstances of life, and have introduced infinite varieties in the species of labour and the classes of skill, and inconceivably multiplied the power of human industry. The vast increase of capacity of labour, and the enormous extension of its functions in converting natural agents to the uses and purposes of man, increase in the same degree the field of Co-operation, so far as

* The name of Mr. Hodgson Pratt—whose services on the Arrangement Committee have been invaluable—having been inadvertently overlooked at the meeting, he was elected immediately on its close by the committee itself.

those natural agents are accessible. But one of these—the land—is limited in quantity, and that limitation is felt, and presses more and more severely on a large number of the people as a country becomes settled and thickly populated. If we consider for an instant the various trades which might form associative concerns for profitable labour in England at this time, if there were land within their reach in such situations as are desirable for dwellings, for workshops and factories, and for the production of food, in the various departments of association—we shall, in some degree, realise the extent to which such Co-operation is restricted by the limited space that is afforded for its efforts. Let us consider, then, to what extent this abridgment of the power of Co-operative labour is inevitable, and how far the law, consistently with justice to all, may (and therefore ought to) obviate it.

I have lately endeavoured to point out the clear and unmistakable distinction which exists between public and private property (*Fortnightly Review*, March, 1869). The security of the fruits of industry, and with it the main inducements to sustained exertion—as well as the tranquillity of life and intellectual progress—are in a great measure dependent on private property being regarded as inviolable. The just sentiment that prevails in civilised society, of the sacred character which the law attaches to private property, is exhibited in the aversion which is excited to Communism, or anything supposed to approach it. But this regard for the private rights of individuals makes it more important to distinguish that which is within the dominion of the State, and in dealing with which the greatest benefit of the greatest number should be the governing principle. Now, happily for the prospects of Co-operative labour, a very large portion of the land of the kingdom is in this condition. In the course of ages, by State appropriations, by gifts, devises, and other means, for national, ecclesiastical, and civil purposes, colleges, schools, hospitals, and municipalities,—lands, situated in all parts of the country, altogether of vast extent, have been dedicated to public uses. It in no slight measure augments the value of these lands, as sites for Co-operative improvement, that a very large portion is found in the metropolis, and other great cities and centres of population, where suitable dwellings for the less wealthy classes are especially needed. Leases of some or other of these estates are constantly being made, or expiring, or offered for sale; and if they could be readily acquired by Co-operative unions of the various departments of the building trade, they might become the sources of incalculable profit and national benefit. Yet, in the present state of the law, and of the administration of this national property, these estates are practically inaccessible to Co-operative and Trades Unions. They are managed by a multitude of different bodies, corporations, and trustees, of every imaginable constitution, scarcely any of whom would entertain a proposal for a lease to a Co-operative society, or a union of any class of labourers. Such leases can only be obtained by capitalists, who remunerate themselves by the employment of

skilled and other labourers in the old form, for which we seek to substitute true Co-operation. Not only is this the case with lands applicable to dwellings, factories, and workshops, in cities and towns, but the difficulty of extending the field is, if possible, even more insurmountable in agricultural districts. It is not too much to say that there are hundreds of thousands of acres of land adapted to Co-operative farming, which would open an entirely new sphere to agricultural labourers, if they were afforded a fair chance of occupying it on the same terms on which it is now let to capitalists. The question (which has been much discussed) of the comparative advantages of small and large proprietorships or tenancies for agricultural purposes, does not arise when the results of Co-operative labour in the same direction are considered. In favour of large, and against small farms, I extract from a recent treatise the following argument:—"Small farms do not pay as well as large farms. They require a larger outlay, in proportion, for buildings. For a farm of 40 or 50 acres, the cost of house, barns, stabling, and so forth, is almost as great as the cost of a farm of 100 acres. The cost for similar buildings for 150 acres is fully one-third larger, in proportion to the rental, than it would be for a holding of double the size. So again with fencing. Small farms involve small fields, in order to provide for the necessary routine of crops; and small fields involve a large increase of fences. High farming, further—that is, profitable farming—requires intelligent and cultivated farmers. Agriculture is now a thing of brains and science, and demands greater capital than heretofore."

It will be observed that some of these objections stand in the way of Co-operative labour in agriculture, for the number of persons in each society or union would be regulated according to the size of the farm; and if steam power be necessary for its culture, or for threshing, or other operations, it is only necessary to widen the classes of labour which are required for the co-partnership. It seems obvious that nothing is more important to the progress of Co-operative labour, than obtaining for it an equal right of competition for the occupation, both for building and agricultural purposes, of all the lands in the kingdom dedicated to public uses. From the produce of these lands, various public institutions, benefices, colleges, municipal bodies and works, hospitals, and other institutions, are wholly or partially maintained; and the present proposal involves not the smallest disturbance of that maintenance. The income derived from the land has two sources—first, that which is the consequence of the limited quantity, or (as it may be called) the monopoly of land—that is to say, the rent paid to the proprietor by the occupier; and secondly, the utilities for the service of man—as houses or dwelling-places, food and clothing, which are obtained by its use, or extracted from it by labour. Opening to the competition of all the Co-operative unions the occupation of the land, and the means of using it for the production of increased utilities, will not diminish the rent to be obtained from it by the institutions to

which the profit, or benefit, or proprietorship, is given; but, on the contrary, will tend ultimately to increase such rent, and therefore will be beneficial to those institutions. The public measures necessary for this purpose are—first, a public return of all estates held for public uses, exhibited in a chart, in which their situation and extent is shown, accompanied by a table or particulars of the leases and tenancies on which every property is held, showing the period of their termination; and secondly, a law which shall enable any Co-operative society or union of societies to obtain leases or tenancies of such estates, whenever they shall offer terms equal to those which are tendered by individuals or private co-partnerships, with an appeal to some competent authority in case their offers shall not be accepted. Suggestions for rendering these large estates more profitable and beneficial to the nation in many ways, may be made; but the provisions above indicated are sufficient for the present purpose, and they are part of the claims of labour which (as I conceive) it is the duty of the State, as soon as possible, to concede.

Mr. Whittaker stated some of the difficulties which the Bacup society had experienced in putting out their spare capital, and in getting security for it. The owners of property around were anxious to facilitate the borrowing of money from the society upon mortgage, but certain legal difficulties stood in the way. He had been requested by those whom he represented, to propose the following resolutions:—

1. To take into consideration the propriety of obtaining the repeal of section 4 of the 30th and 31st Victoria, chapter 117, and substituting in lieu thereof the following, or the purport thereof:—

Two copies of the rules shall be forwarded to the Registrar of Friendly Societies in England, Scotland, and Ireland, according to the place where the office of the society is situate, and shall be dealt with by him in the manner provided by the Friendly Societies Act, 1855, and he shall thereupon give his certificate of registration; and such certificate shall in all cases be conclusive evidence that the society has been duly registered; and thereupon the members of such society shall become a body corporate by the name therein described, having a perpetual succession and a common seal, with power to purchase, erect, sell, convey, lease, underlease, and hold, either freehold, copyhold, or leasehold lands and buildings in their corporate name, with limited liability; and to borrow or advance money on lands or buildings, whether freehold, copyhold, or leasehold, or on personal security, unless the rules of the said society shall otherwise declare.

2. That the following section shall be added, viz.:—

That the lord or lady of any manor situate in England, Scotland, and Ireland, shall admit any society registered under this or any of the previous Acts relating to Industrial and Provident Societies, and which are now in force; and enter upon the court rolls in their registered names, as if they had not been a corporation, upon presentment of a surrender, and upon payment of such fees as are now paid by private individuals upon surrenders.

3. That the following section shall be added to the said Act, viz.:—

That all loans and advances made previous to this Act by any society registered under this or

any of the previous Acts relating to Industrial and Provident Societies, and which are now in force upon the securities mentioned in section , shall be valid, legal, and binding between the parties to such loans and advances, and shall be enforceable accordingly.

4. That sections 12 and 13 of the said 30th and 31st Victoria, c. 117, shall be repealed, and in lieu thereof shall be substituted the following section:—

A society registered under this or any of the previous Acts relating to Industrial and Provident Societies, and which are now in force, and not allowing any member thereof to hold or claim any interest therein, or monies therefrom, exceeding in value the sum of £200, shall not be chargeable with the duty under Schedule C or Schedule D of the Income Tax Acts.

The effect of section 14 of the said 30th and 31st Victoria, chapter 117, must be inserted in the Act intended to be framed upon the previous suggestion hereby given.

5. That any shareholder or member of any society registered under the Industrial and Provident Societies Acts, or under the Joint-Stock Companies Acts, may, by writing under his hand, delivered at the registered office of the society or company, appoint any person, being the husband, wife, father, mother, child, grandchild, brother, sister, nephew, or niece of such member, to whom his shares in the society or company shall be transferred at his decease; provided that the sum credited to the account of such member or shareholder in the books of the society or company does not exceed £200 sterling; provided always, that no one person be nominated to a greater sum than £50 sterling: and such nomination may be revoked or varied from time to time by writing under his hand similarly delivered.*

Mr. Whittaker added that the Bacup society recently received an application from a Co-operative society for the loan of £5,000, upon a mortgage security; but it was found that the money could not be lent, because the estate was copyhold, and as a Co-operative society they could not have their name placed upon the court roll. The law needed amending in this respect—so that the name of a society should have the same privilege as the name of an individual. The Bacup society had considerable surplus capital, which there was a difficulty in investing advantageously, on account of the anomalous state of the law. In order to keep down their surplus capital they had refused to take more than £100 from a member. The state of the law was also an obstacle to the members building better houses for themselves, which many of them desired to do. They wanted greater facilities for the transfer of land.

Mr. Nuttall said that a society had lately sent its rules to Mr. Tidd Pratt to be certified,

* The first four of the above resolutions are the same which had been agreed upon by delegates present from the societies of Accrington, Helmshore, Over Darwen, Prestwich, Summarseat, Tottington, Bacup, Heywood, Edgworth, Crawshawbooth, Ratcliffe, Edenfield, Manchester Equitable Society, Haslingden, Love Clough, Cawl Terrace, Rawtenstall, Ramsbottom—at a meeting held at the Co-operative store, Ramsbottom, on Saturday, March 20, 1869; and afterwards submitted to and accepted by the Leeds Co-operative Conference, March 26, 1869.

and he refused, unless the rule was made absolute for shares to be only withdrawable, and not transferable. He believed the Registrar was wrong in this case, because he knew that rules had been certified which allowed shares to be both withdrawable and transferable. Mr. Tidd Pratt further stated that the societies could not convey houses to their members. Co-operators were of a different opinion; they asserted and believed that Co-operative societies could do anything that individual citizens could do. The Act of 1862 gave Co-operative societies power to do anything—as corporate bodies—which was not forbidden by law. The fourth clause of the amended Act of 1867 stated that the societies had power to erect, sell, and hold land, buildings, &c., with power to convey the same. There was no limitation as to members or non-members. Co-operative societies were building cottages extensively for their members, and Mr. Tidd Pratt raised this difficulty, that they could not be conveyed to the members. It was either a mistake or something else on the part of the Registrar. Another disputed point of law was that referring to the Co-operative societies being exempt from stamp duties. The Wholesale Society had set the example of issuing cheques and drafts without stamps, and the banks did not hesitate to honour them. The Act expressly said that Co-operative societies were exempt from stamp duties and income tax. Co-operative societies did not understand this kind of treatment, nor the repeated delays to which they were subjected at the registrar's office.

Mr. Lloyd Jones stated that Mr. Tidd Pratt sent back the rules of the Equitable Pioneers of Rochdale, because they had inserted a clause in favour of an educational rate, when the very Act itself had made special provision for it. One of the first things Co-operators should do, must be to wait upon the Home Secretary, and try to find out what was the real law upon disputed points.

Mr. McInnes mentioned another matter which had troubled them in respect to the returns (for the income tax) required to be made by the Act of 1867, of profits derived by members. Each secretary was required to give a return, and the labour was so great that the secretaries would require additional pay for it. He had inquired of the authorities at Somerset House, but they appeared to know nothing about the Act; but on making inquiries for themselves, they replied that it was requisite. At present there was wide and justifiable dissatisfaction in regard to these troublesome and uncertain matters of law. Mr. McInnes seconded the resolution.

Mr. Webster (Rochdale) said they ought to impress upon Mr. Tidd Pratt the necessity of facilitating the power of transferring the shares of Co-operative bodies. As to the return of profits, in Rochdale the Commissioners did not force the secretary to write out the thousands of names, &c., but the assessor of taxes came and selected the names of those who were likely to be liable to income tax.

Mr. Greenwood referred to the cost of letters of administration in the case of members dying intestate. He thought the Board should see to this matter, and support Lord Westbury's Bill.

The Co-operators of the North did not wish to shirk their fair and due payment of taxes, but they objected to the vexatious way in which the law operated.

Mr. F. Wilson thought that the grand Co-operative organisation ought not to have an advantage over ordinary trades, in being exempt from income tax and stamp duties.

Mr. Thomas Slater reminded Mr. Greenwood that the law allowed the members of stores to nominate their successors to the extent of £50; but this privilege did not extend to joint-stock companies. It would be very desirable to get the benefits of the Friendly Societies Act extended to joint-stock companies. He thought the registrar (as a public servant) ought to be called to account; though he did not know how they were to reach him through the "circumlocution office." In Bury they had built some houses for members, and intended to allow them to be paid for in weekly instalments. But Mr. Tidd Pratt returned the rules: yet Prestwich (four miles from Bury) took the rules, and got them registered; but they had to employ Mr. E. V. Neale.

Mr. Mitchell also advocated a simplification and cheapening of the process of law in regard to the transfer of shares, &c.

Mr. Nuttall, and others, brought forward some further complaints against the Registrar; whose urbanity and benevolence were, on the other hand, testified to by a gentleman in the body of the theatre.

The Chairman (Mr. Auberon Herbert) observed—with regret—upon the present state of Mr. Tidd Pratt's health, which probably prevented him from fulfilling his duties with the same energy and regularity as he formerly exhibited.

Mr. Ludlow said he rose as one of that not-very-well-spoken-of class—the lawyers—for the purpose of urging very strongly upon the Congress not to attempt to pass these resolutions as a whole, but to refer them to the committee which the Congress had already appointed for the purpose. Nothing could exceed the importance of the subject of legal changes; but nothing could exceed also the difficulty of discussing them when time was so short as the clock showed it to be. Some of the proposals were fit to be passed into law; but some of them would never be obtained in the form suggested. Taking, for instance, the complaint as to copyhold tenure—he had no doubt that great inconvenience was felt in the North, from the refusal of lords and ladies of the manor to admit Co-operative societies by their registered names, as tenants; but it was perfectly clear that this would be the extinction of all fines and fees; and no legislature would confiscate a lord of the manor's property for the special benefit of Co-operative societies. They must either be content to hold copyhold property—in the names of trustees—or wait the extinction of copyholds altogether, which was now going on. As respects nomination in place of a will, it must not be forgotten that this is at present a privilege of the Friendly society, enjoyed by Industrial and Provident societies. Because certain Co-operative societies had registered under the Joint-stock Companies Act, they wanted to carry that

privilege with them: but he really did not see why—as a privilege—it should be extended to every rich railway director. The true radical remedy would be to simplify for all the costs of conveyance, probate, administration, &c., for small properties. The complaints alleged belonged, in fact, to two classes: some were purely special to the Co-operative bodies under their present system of registration—*e. g.*, that as to the income tax returns under the Act of 1867, which showed that the societies were put to great trouble without any result, since, after the returns were made out, the assessor came just the same to look at their books: others were inconveniences which they bore in common with other societies. Co-operative societies needed evidently, under the Act, a specific power to lease and mortgage; and in other respects the Act of 1867 needed amendment. He would venture to suggest that all that the Congress could do now, was to resolve that the law in its present state was in many respects oppressive or inconvenient to Co-operative societies; and that the proposals of Mr. Whittaker and others be referred to the standing committee.

This suggestion was adopted without dissent, and without any specific resolution being passed.

The last question for consideration was the very important one brought forward in sec. 3 of the programme, viz.—“What are the chief Causes which have led, in some instances, to the Failure of Co-operative Stores, and also Manufacturing Establishments? and what are the fundamental conditions necessary in each case for Success?” but the shortness of the time prevented anything like justice being done to it.

The following papers were read, or taken as read:—

(1)

On the

Causes of Failure in Co-operative Stores,
and the

Means of Promoting a Knowledge of Co-operation.

By Richard Harper.

Among the commonest and most fatal causes of confusion and failure in Co-operative enterprise, is the nearly universal prevalence of concern for individual benefit, as contradistinguished from universal benefit. This is the largest cause—operating in a great variety of forms—why so many of our sometime promising societies go down. The old, old story of selfishness. Surely it is not always to be so. The most courageous of us would be dismayed if it were. Eminent among the various manifestations of the selfishness of Co-operators, is the very common exhibition of concern about the dividends. These are, with a very large number, the touchstone of affection for Co-operation. When these cannot be kept up at what is considered a respectable figure, the interest of many so-called Co-operators falls away, and they no longer pay the attention or give the support necessary to make the society

succeed. Another of the causes of non-success, especially of the distributing societies, is the want of experience in the business or businesses undertaken. This has been the rock upon which a large number of once promising societies have split. They are all earnest men, well-intentioned, severe critics upon expenditure, and not a little sharp down upon any one who might wish to launch out into too expensive premises, for instance; but they do not know the business; they commit egregious errors in buying the wrong articles, or buying in the wrong market.

Some other failures have occurred from too great ambition to make a show in the world. Clever young men have been appointed to the office of secretary, and they have worked hard to render the affair successful in their way; but the affair could not possibly succeed, because of the too great expense entered into from too great ambition to appear successful. Some other disasters have been caused by conditions which were absolutely irremediable without the employment of years of teaching, and some considerable change in the organisation of the members. The Lancashire and Yorkshire grand successes have been caused chiefly by the vastly greater fitness of the men. Those Northern Co-operators are made of the real grit. They know one another to be honest men. They know, too, that once a thing is taken in hand by their brethren and themselves, it will be stuck to—not left to take care of itself, but be slowly and patiently developed, until the balance sheet is the sole advertisement, and growth is rapidly accelerated. The men of the Midland and Southern counties are different men. They have not the same fixedness of character, having less iron in their constitution. They have less faith in one another, because less foundation for it. They are less provident, because much more governed by their appetites. They are equal in education, if not superior; but the education is of the wrong sort. They are better versed in politics, but not so well in perseverance. They can dress and talk better, but they do not so well know how to save money. The total of these differences constitutes a set of conditions which it requires time—probably much time—to radically alter. Every one of these differences being more or less hereditarily acquired, the revolution needed requires some generations to effect. Some of the Co-operators of the present time are very inferior to those of the time of Mr. Owen. Do we wish to know the difference? Why, the men of Owen's time were men of simple devotion to the truth of Co-operative principles, because they saw them to be founded in nature, and therefore eternally true. They saw that the sooner we are able to substitute for the individual and conflicting interests of society one general interest—in which the truest individual interest should be secured—the sooner would the real happiness of aggregate humanity be realised.

Such are some of the causes of failure, and some of the more patent difficulties still in the way of successful Co-operation.

The great need of the time appears to the writer to be as follows:—First and chiefly—a thoroughly organised system of teaching the

principles of Co-operation—not on the basis of exhibiting its pecuniary benefits merely (though these will be by far the most readily perceived), but exhibiting the deeply radical nature of the principles as necessary in practice to secure human happiness. Second—the creation of a central board or directorate, composed of men thoroughly versed in the principles of the science, and some of them, at least, practically acquainted with the conduct of both producing and distributing societies. This central board should offer its services in the way of directing or advising any persons commencing the experiment of Co-operation, and also be available for the settlement of disputes of any kind without the intervention of civil law. Such a board would also possess great weight in the direction of inducing societies at present competing with each other in the same town, to amalgamate their forces, and so carry out the principle into superior outgrowths much earlier than they could hope to do separately. Third—there needs a much more general distribution of the literature of Co-operation. While on this matter, it is entirely appropriate to mention and to applaud the devotion of one very uncommon man in spreading the statistics and general knowledge of the subject. Mr. Henry Pitman stands very high in the galaxy of worthies who have helped to make Co-operation a concrete fact. The thanks of thousands of workers are to-day given to him for the means of acquiring such knowledge of Co-operation as has made them not only rich men, but better, and therefore happier, men. Some additional means of conveying the knowledge of the general subject to the non-co-operating public, is urgently required; some organisation for the purpose of pouring out, through the current popular literature of the time, so much of Co-operative facts and arguments as shall excite the selfish of society to inquire further regarding it. The simplest statements of fact alone would be of immense service in bringing the subject under cognition. Every one of the solid serried rank of facts, which so effectually rebut assertions of impossibility, may be made to tell their tale upon the dull ear of public opinion, until (as in many a past instance of the triumph of once unpopular ideas) the public opinion of the United Kingdom shall be educated to the sticking place, so that Co-operation may become as general a favourite as Education is to-day. Some of the ideas of Co-operators themselves need to be corrected, and supplemented by wider knowledge. Such matters as the necessity of improving the means of education for the rising generation, the knowledge of correct sanitary conditions, and the reduction of every man's expenditure within his income,—are in their way very important, as helpful towards such Co-operation as is needed to practicalise such reforms as are most urgently needed in middle and lower-class society.

Robert Owen was once asked why social progress depended upon conditions? The explanation is easy. Since conditions are merely another name for laws of nature, it follows that to change any set of conditions surrounding any organism, is to change the law of nature for that organism; therefore

conditions are omnipotent for social progress. Do we wish to comprehend how all progress in the past has been achieved? The reply is in one word, containing volumes of meaning—"Conditions." Surely the time is not very distant when the simplicity of one human interest, sought to be realised on one principle, in one mode, will be substituted for the warfare and strife of one million of interests, each seeking to be uppermost, and all concentrating their separate energies against each other, to the necessary retarding of universal progress, and the multiplication of motives to evil.

(2)

Causes of Failure.

By N. Wilkinson.

"What are the chief Causes which have led, in some instances, to the Failure of Co-operative Societies and Manufacturing Establishments? and what are the fundamental conditions necessary in each case for Success?" Such, gentlemen, is the question in the agenda of the business of this Congress, upon which I shall make a few observations. I propose to consider, in the first place, the essential elements of success; in the second place, the causes of failure; and lastly, the plan to be pursued for removing the causes of failure, and promoting the growth of the elements of success.

In the natural order of things, the first element of success is a clear understanding of the amount of money capital which will be required—without requiring any credit whatever—for the proper carrying out of as much business as you may reasonably expect to transact; and, what is of paramount importance, the actual possession of the amount required. This proposition is so self-evident as to need but little illustration. I presume there are few persons present who cannot reckon among their friends or acquaintances some one, at least, who began to build, but was unable to go on to completion, simply because he had not first sat down and counted the cost of his undertaking; and not having counted it, had made no preparation to meet it. The *Co-operator* for June, 1866, contains a remarkable case in point. We there read that a mill of no mean dimensions had been erected by Co-operators, and great and expensive preparations made for the transaction of an extensive and (what was sincerely hoped) a profitable business. But because the managers had failed to fully understand the cost of their undertaking, and had, as a consequence, failed to make due preparation for meeting the same, their most extensive business transaction was the sale of their entire possessions, and their largest dividend was the division of an enormous loss, amounting to £4. 19s. 6d. in every £5! It is true, that a firm adhesion to the ready-money principle may (especially in the earlier stages of existence) be a source of some little inconvenience, and even apparent loss; but, if persevered in, it will in the end bring forth innumerable blessings. By pursuing this course, you will be in a position to command

the best and cheapest markets for your purchases; in your sales you will make no bad debts; and the absolute solvency of your undertaking will be undeniably guaranteed. "Let it be considered as wrong for a member ever to ask for credit, and still more culpable to yield to his request. Let the society set a good example by never taking credit in its purchases."*

It is also of the greatest importance not only that a sufficient amount of capital be raised for the transaction of a ready-money trade, but that it be subscribed by a large number of persons. There is a power and a sympathy in numbers which cannot otherwise be obtained. If you have a goodly number of shareholders, you may reasonably expect a goodly number of supporters; who, if imbued with a truly Co-operative spirit, will exercise a most powerful influence in favour of Co-operation in general. Every possible facility should therefore be given, both by Co-operative societies and Industrial Partnerships, to enable even the poorest person to become entitled to the full privileges of a shareholder.

Capital and members being obtained, the next great want is that of proper persons to conduct the various departments of the undertaking. The first great *desideratum* in every candidate for office, should be sterling integrity. Unless our managers possess this, the largest amount of capital will soon be reduced, and the most prosperous undertaking speedily destroyed. In times when our newspapers are teeming with cases of bankruptcy, embezzlement, and fraud, whereby poverty and wretchedness are brought into many previously happy homes, it is of the utmost importance that we have honest men at the head of our affairs. Whatever may be the collateral causes of the failure of Co-operation in several of our large towns, we are fully persuaded that one great cause arises from the lamentable fact that several societies have been commenced which have subsequently terminated a most unfortunate existence, through nothing less than shameless—and, in most cases, unpunished—dishonesty. In fact, so frequently has this happened, that it has become a stereotyped reason why many persons cannot be persuaded to join even a well-managed concern. We therefore require men who, instead of lowering the standard of public honesty, will sedulously strive to hold it up, and even raise it still higher.

But however important sterling integrity may be, that alone will not answer our purpose. It will avail us little, unless the possessors of it are also men of experience, of observation, of calm and comprehensive induction, of ready, penetrating, and wide-reaching discrimination; men whose whole souls are alive to those proceedings which are influencing, or may influence, the profits of the merchant, or the business prospects of the manufacturer; men of prompt and immediate action, who have both the knowledge and the power to do the right thing at the right time, and in the right way. Give us these men, and, provided

they be honest withal, our chances of success are greatly enhanced.

There is, however, one other important element in the character of our officers, viz:—steady and untiring zeal. Without this, even honesty and ability are shorn of half their powers. It frequently happens that, when days are bright, and friends numerous, and dividends large, the officers appear exceedingly zealous; but when clouds gather in the horizon, and bright and prosperous days have for a time departed, their zeal grows cold; and when friends are most required, they are most difficult to be found. In the history of all societies, times of trial are sure to come; and when they do, we require men of perseverance and zeal to lead them through their trials, and bring them out of their difficulties.

I have hitherto considered the fundamental conditions of success only, so far as capital and managers are concerned. I now proceed to consider them as influenced by the members in general. In all well-regulated societies, the right of electing the whole of the executive belongs to the members at large. Their first duty, then, is to exercise this prerogative in a proper manner, utterly uninfluenced by personal antipathy or predilection. They should elect no man unless they believe him to be possessed of those traits of character we have previously enumerated. No one should be elected because he is a most consummate grumbler, or because of his verbosity. Great grumblers are generally poor reformers, and great talkers but little doers. Having elected their officers, members should not consider their duty ended, but should, by observation, by courteous, judicious, and persevering inquiry, inform themselves how the duties of their respective officers are performed. I do not mean by this that they should be perpetually doubting either the efficiency or the honesty of their executive. Such a course as this would be fraught with grievous evils, and would speedily deprive them of every man of integrity and self-respect. But they should possess such a knowledge of the general affairs of the society, as to know of a certainty that it is managed by no self-constituted oligarchy of the executive; for so surely as a society is managed by a select few, and not by the general body of those whose duty it is to manage the affairs, so surely is it in a position most dangerous to success. Few acts of dishonesty are committed by the executive at large, but many by the isolated few. The history of many societies which have been, but are not, can furnish ample testimony to the truth of this remark. One great means to prevent this undesirable result, is—frequent change in the directors of your affairs. This course will also give greater interest to your general meetings, as well as enable a large number of members to become practically acquainted with the general working of the society.

Members should always consider it an imperative duty to attend all the general meetings of their society. It is at these meetings that the proceedings of the executive are made known to the general body, and every member has an opportunity of making observations, and asking questions thereon.

* Mr. Commissioner Hill's letter to the Ladywood Society.

And if, as may sometimes happen, the opinions of the executive differ from those of the general body, it is of the utmost importance that mutual forbearance and brotherly kindness should characterise the whole of the proceedings. To my mind, members often seem to forget that what will affect themselves, will also affect their managers; that if one member suffer, the other members must suffer with him; and if one have cause for rejoicing, there is an equal source of joy for all. It cannot be too well remembered that contention is a serious drawback; and unless some serious and radical principle be involved, it is often better to pass by little evils, than to have

The ocean into tempest wrought,
To waft a feather, or to drown a fly.

I now proceed to consider the principal causes of failure. The first which I notice, is the wilful negligence of members to deal at the stores. That this course of procedure should exercise a prejudicial influence upon Co-operative societies, is not at all surprising. If members themselves do not support stores opened for their own especial benefit, it cannot for one moment be expected that persons who are not members should do so. And the inference will be patent to the most obtuse observer, that without proper support no store can even be expected to pay its own working expenses, much less to make a profit for those persons who are too indolent to strive for its welfare. As a rule, these persons are very clamorous against the executive for not having obtained a handsome dividend; by their example and general conduct they sow discord and discontent among the members at large; until, bye-and-bye, they withdraw their share capital from the society, and do all in their power to make others do the same. Another prominent source of failure is what has been truly denominated "the cruel credit system." Facilities for running into debt meet us at every turn, and strive, with flattering words, to lead us from the freedom which we enjoy as ready-money purchasers, to the thralldom of a system which tends, as much as anything else, to the demoralisation of the several classes of the community. Ignorance, poverty, and intemperance, are joint workers with credit in its onslaught upon Co-operation. Dishonesty on the part of managers has already been alluded to, but its fearful importance claims for it a second mention. Improper division of profits between capital and labour is a prolific source of discontent and failure of Industrial Partnerships. I do not here offer any suggestion as to the respective claims of each, as it is a question which occupies the special attention of the Congress; but until these claims are fairly considered, and justly determined, there will be but little progress made in this branch of Co-operative enterprise.

I now proceed, in the last place, briefly to consider how these causes of failure may be removed, and the growth of the elements of success be promoted. The first I propose for this purpose is—an earnest propagation of the principles of Co-operation. It may appear strange to those who have laboured on behalf of Co-operation for many years, that large

portions of the community are unconscious of its power, and even ignorant of its very existence; but such is an unquestionable fact. Of those who are acquainted with its existence, the majority suppose its one grand aim is the making a large dividend; and fail to perceive its higher and nobler aims. Every possible opportunity should be embraced of dissipating this false impression, and of giving true ideas of its mission to our race. Lectures should be delivered, tracts written and distributed, and meetings held as frequently as opportunities will permit. Social re-unions should also be frequently held, for the purpose of bringing together members of the same society, and of creating and fostering friendship and goodwill amongst them. Earnest-minded Co-operators should pay marked attention to the great social questions of the day which have for their object the banishment of ignorance, and pauperism, and crime, and the bringing in of a happier and more prosperous state of things. Patience, perseverance, and great self-denial, must characterise the leaders of the various societies; and though the harvest tarry, we must hopefully watch and wait, and in due time ignorance and prejudice shall give way to knowledge and support; pauperism and crime—the twin daughters of intemperance—shall, with their dread parent, be banished from the earth; and Co-operation, with the thousand blessings which follow in her train, shall sway her triumphant sceptre, and reign supreme upon the earth.

(3)

Causes of Failure.

By J. C. Farn.

1. Because the members loved the society for the sake of personal gain, rather than for the practical illustration of the working of a great principle which they understood and desired to realise.

2. Because they expected more from competitive Co-operation than it was able to give; for if the profits of Co-operation had been as great as their expectations, the profits of competition must be great in proportion: in that case the worker would be in a worse position than he is now, as he would lose more in the shape of profit.

3. Because the desire for great profits, and dissatisfaction with small ones, caused the appointment of persons for low wages who were incompetent for their work, and who entailed upon the society heavy assistant expenses.

4. Because when anything went wrong, there were few who strove to make matters right; whilst many by imputations, clamour, and indiscretions, made matters worse.

5. Because party and personal feeling prevented the election of the most useful men to office, and often placed in office men but little qualified for its duties; and after all were nearly useless, as, when paid, not worth what they cost.

6. Because the members lacked faith in their own proceedings, as evidenced by their not dealing at their own stores, and becoming

panic-stricken in cases of loss upon trade, although the amount invested by each was very small, and its total loss would not have ruined any one; and thus prevented even the chance of recovery.

7. Because bickerings took the place of investigation, denunciation the place of argument, and destructiveness the place of restoration. In fact, because the members, in the mass, had neither the knowledge, patience, forbearance, nor disinterestedness, necessary for permanent success. The servants being allowed a commission on the business done, pushed and allowed the credit system to a most unreasonable extent, so much so that hundreds of the capital were locked up in this manner, and the managers crippled in their purchases, when they could have purchased to the best advantage; all of which might have been avoided by a careful inquiry into the circumstances and dispositions of the debtors.

(4)

Hindrances to Co-operation.

By J. T. McInnes.

The characteristics of every nation in all periods of history show that wealth aggrandises power, and that power thus gained is grossly selfish. Its influence in governments is so palpably one-sided, that it has created in the minds of the labouring classes an amount of distrust and want of faith towards governing bodies, whether national, local, or as employers, which have produced results very prejudicial to the harmonious working of social compacts. If the history of nations shows results of this kind, the question naturally arises—Is there no remedy which would neutralise the selfishness of human nature, whereby a more just and equitable distribution of wealth might result? Many theories have been proposed to harmonise the relations which exist between capital and labour, so as to produce a more just distribution of the profits which arise from them; but a great number of these have been more ideal or fanciful, than practical,—if we except the Co-operative principle, which has attracted the attention and secured the favourable consideration of many of our greatest thinkers on social subjects, in regard to its practical development in many parts of the world; and they are hopeful that its further progress, and more general adoption by the working classes, will largely contribute to a more just distribution of the wealth which is derived from labour, and as a consequence, result in greater harmony with the social relations of everyday life. Presuming, then, that the principles of Co-operation, as now generally understood, will, if intelligently and faithfully carried out, produce results calculated to raise the social position of those who labour with their hands, it is certainly well worthy the attention of an assembly of this kind to give its practical details their most serious consideration: and in view of this end, it may be profitable to point to a few of the obstacles which have retarded its more successful development in Scotland.

The progress of practical Co-operation in Scotland—even with all its drawbacks—has been great; and the benefits it has conferred on a large number of the population—both morally and socially—are very satisfactory to all who have been watching its gradual growth. It has created amongst the larger number of the members of Co-operative societies habits of forethought, economy, and frugality, in many of whom these habits had no previous existence; and to those who have taken an active part in carrying out the practical details of Co-operation, it has been the means of imparting a knowledge of business relations, and of extending their minds in a direction which enabled them to appreciate the power that a well-conducted labour-organisation is capable of realising.

The actual failures of Co-operative societies that have taken place are comparatively few, and with one exception unimportant. The exceptional case was the largest society in Scotland then or since, the capital being about £6,000, the quarterly sales about £9,600, with a membership of about 2,000. Its failure had a considerable influence on the movement in two ways; first, by creating a want of confidence among the working classes as to their business capacity, which has largely contributed to retard the movement in the densely-populated district in which the society was located; and second, its influence outside of its operations was partially damaging to the cause: yet it had its beneficial effect, in guarding others from the shoals on which it foundered. There is one gratifying circumstance connected with this society, which is creditable to working men, and makes the winding-up stand in favourable comparison with the gigantic business gambling, intrigue, and immorality, which from time to time are revealed in the public prints in connection with railways, banking, and other companies—that with those who conducted its affairs there was an honesty of purpose, integrity, and self-denial brought out, which it is but due to them to state; and all their liabilities were met, having honestly paid 20s. in the £.

During a considerable period little or no communication was kept up between societies; each stood, as it were, isolated—the committee groping their way in the best or worst way possible. New societies started into existence with a faint idea of Co-operative business, gathering their knowledge from the experience narrated of some neighbouring society; and they blundered into a business which in most cases was so fluctuating that little or no progress was made, whilst business knowledge and system were wanting: hence their position was never uniform to create implicit confidence. Efforts were made in the year 1864 to get up a Conference of delegates, representing as far as known the societies in Scotland which were successful. Various causes interfered to prevent these meetings taking place at stated intervals. Another attempt was made to get up a local meeting, in view of a national one, which was held in the office of the *Scottish Co-operator*, and was a great success. Various matters were discussed, and the business concluded with an unanimous resolution to call a general meeting

of the societies throughout Scotland. This meeting was held in Glasgow, at which sundry matters were considered, and a permanent Conference Committee appointed; and since several meetings have been held with good results. To guard against misconception, it may be remarked that not more than one-half of the existing societies have taken advantage of these meetings, or contributed to their expense; and yet, when any of them get into difficulties, they generally consult the Conference Secretary as to their position, and endeavour to get advice at the lowest possible cost, and postage free, which has always been freely and unhesitatingly granted. With the societies that have taken an interest in these meetings, it is gratifying to state that their progress is more certain and uniform than formerly; and the Conference Committee are ever ready and willing to assist societies in surmounting difficulties. Through the instrumentality of the Conference Committee, a healthy and promising Wholesale society has been established; a lucid and simple method of bookkeeping drawn up; a uniform balance sheet published; and other practical measures conducive to the stability of the movement have been suggested. It is necessary in this paper to give these particulars, in order to show that the societies in the North have had to fight or to grope their own way in Co-operative experience and knowledge. The members of the Co-operative societies in England have had the advantage of the advice, business experience, and kindly sympathy of many worthy men in the higher status of our conventional state of society, and many of these have taken an active practical interest in this Congress; while not a single person above the status of a working man has given to the movement in Scotland his practical sympathy and advice. It will therefore not be wonderful that the obstacles about to be spoken of should have existed.

From the foregoing remarks it will be seen that the members of the Co-operative societies in Scotland are composed altogether of the labouring class; and it may also be stated that a large portion of them are defective in education, or possessed of mental peculiarities, or of both combined, which naturally predispose them to be jealous of anything they do not understand. Another class may have received a common school education, but their mental characteristics are a selfish cunning; or they may have certain twists in their mental development—either of which makes them, as members, troublesome and mischievous, and sad drawbacks to the onward progress of the movement. The latter class take advantage of the simplicity or ignorance of their less cultivated brethren, and they have no hesitation in fraternising with them when they have any selfish end to promote. They are sometimes hunting after a salesman's situation, for themselves or a friend, and they heartlessly insinuate some vague mystery about the character of a man who very likely is most respectable; or, they may not be content with the position they hold in the society, and aspire to be leaders, and every plotting scheme is laid to secure their object, by doing all in their power to work on the credulity and simplicity of members.

But this dark picture has a bright silver tint;—a noble band of earnest workers, men with true nobility of character, possessed of integrity, intelligence, and capacity, who have worked hard to conciliate, and to break down the barriers of selfishness and ignorance; and their labours have not been in vain—they are gradually reaping gratifying results, as indicated in a previous part of this paper. The greater number of the members of societies have not yet grasped the true idea of the principle. They are as yet only tempted to join a society for the immediate benefit it offers in the shape of bonus on purchases. Till within the last three years, this was very evident even with committees, who gave every facility to members lifting their profits, and in many instances urged them to do so. A number of earnest men observed this with sorrow; and every opportunity has been taken by those who speak publicly on the principle, and in the pages of the *Scottish Co-operator*, of urging the necessity of capitalising the profits of the store. This has been done with remarkable success, as will be seen from the following statistics, not given as positively correct, for there are no means of ascertaining this with certainty, but from the sources obtained they may be taken as nearly so. The aggregate capital of registered and unregistered societies in 1862 would amount to about £13,000; in 1866 it had run up to £25,000; and at the present time it will not be less than £140,000. This will, it is believed, keep steadily increasing; and by the active friends in Scotland it is hoped they will never entertain the silly idea of their incapacity to put out in profitable Co-operative investments the utmost limit of surplus capital.

In a membership of such varied characteristics, it will be readily assumed that the committees of societies will partly reflect the peculiarities of their constituents; and it is found that in large numbers of instances they do. From incompetent management much hurt has been done to the movement—not so much from want of intelligence or capacity, as from want of faith in themselves as to their possession of the ability to manage. They think that because they are working men they cannot possess the faculty to master business details; and when misfortune comes against them, it is no uncommon thing to hear them screen themselves from blame, by the expression that they were only working men. As a rule it is found that the most worthy of the members of a society are elected on the committees; and the most prominent error which committees fall into, is the delegation of their business management into the hands of their salesmen: this has been the great bane of the movement in Scotland. The committee advertise for a salesman, and have numerous applications for the situation, and the person with the largest number of written testimonials in most cases is appointed. There is no private inquiry as to former antecedents, but he is appointed on the faith of these paper characters. It may be that a first-class man is appointed in this way, in whom honesty is truly personated, and whom no amount of temptation would make dishonest; but these cases are exceptional. Many of them too are persons that could be kept honest were

committees fully sensible of their responsibilities. In many cases the salesman turns out to be shrewd, and otherwise well up to his business. The committee see this, and relax their own efforts and watchfulness, and ultimately the salesman has the sole management. The committee flatter their conscience that it is serving no end their troubling themselves, seeing that they have got the "right man in the right place." Things work on smoothly and pleasantly; good dividends are declared, which is all the members care about, and they are satisfied with things. Time goes on, and new men with new ideas get occasionally elected into the committee; they express dissatisfaction with the mode of doing business, and they are put down as meddlers in things they do not understand. They are persevering, however, and they gradually gain converts to their statements that all is not right. Full inquiry is made into business matters, and they turn out bad, and ultimately it is found that there is a deficiency of several hundred pounds. This is no exaggeration, as no less than three of these cases have lately transpired, involving an aggregate loss of about £2,000.

Now these salesmen had been hitherto honest, but they found that no check was put upon their management, and they forgot themselves; they thought there was little harm in helping themselves; a little from so many was not much from each; and so from bad to worse, until at last they were found out. These men could not withstand the temptation which was placed in their way, and they fell. In two of these special cases the Secretary of the Conference Committee frequently and strongly urged upon the committees to place a better check upon their business, warning them of the consequences. Advice was useless, but when the "steed was stolen," sympathy and counsel from the same quarter was asked, and given frankly, and the societies are now conducted upon such a principle that dishonesty will not readily take place without speedy detection. It is very wrong—nay, it is dishonest in committees to be so loose in a business which has been entrusted to them by the members in full faith that they would take every precaution to manage it properly; and it is no less a hurt to salesmen who may want that strength of moral action in their constitution to withstand temptation thus placed in their way.

The plan now recommended and adopted by many stores with complete success, is reckoned very satisfactory. With this system, and the committee retaining in their own hands the ordering and paying for all goods, consulting the salesman as to quality and price, there will not occur so many cases of dishonesty; and no well-meaning salesman could object to this, when he fairly considers that the business is jointly the property of so many members: if he does object, a committee will be safest to have nothing to do with him. Committees of retail societies that are thoroughly intelligent on the principle, must acknowledge that it is not a necessary qualification for their salesmen to be purchasers. The Wholesale Society have a staff of qualified and experienced purchasers, who devote their time and attention exclusively to buying; and committees should look to them,

and have confidence in their ability to buy for them, and by thus acting they will show their consistency, and surmount the difficulties involved in purchasing. It is pleasing to state that several of our most successful societies have laid it down as a rule—that all their grocery goods must be ordered from the Wholesale Society, and they hearken to no dictation of their salesmen in this matter. The objections of salesmen to the Wholesale Society can be readily accounted for; but to hear committees talk about buying in the open market, from the Wholesale Society or the Wholesale Merchant, whoever is able to quote lowest prices, is rather equivocal. To know that men professing the principle speak openly in this way is truly painful. It is denying the principle. The members of the Wholesale Society are composed of the retail societies, and they have become united for the purpose of increasing their purchasing power, and the union is a rational one. If the membership are true to their own interests, and faithful to their Wholesale Society, they will place it in a position not only of taking advantage of the open markets locally and nationally, but of the world; whereas retail societies, in an isolated capacity, are only able to do so through a gradation of middlemen. Incompetency in the management is no legitimate argument for the withdrawal of orders from the Wholesale Society. The existence of incompetent buyers can only be remedied by the societies in union, and it is their duty to remove them: not only so, but to strive and maintain efficiency in every department. Competent judges of business matters, as well as the press, have paid high encomiums to the management of the North of England and the Scottish Wholesale Societies. Of the latter society, the *Morning Journal*, one of the most respectable of the Glasgow daily papers, in reviewing the last balance sheet (the second quarterly one) says of it:—"A more business-like document has never passed under our review. It is quite perfect in all its details of the business done, in the various forms of cash, banking, fixed stock, goods, trade, and capital accounts:" devoting a column of the paper to an interesting and critical notice, highly complimentary to the management. With all that can be said in their favour, either as respects the principle of Co-operation, or their management, it is found that many societies give them only a very partial support, and a very large number of them none at all, thereby ignoring the principle, and retarding its further practical development. There even exists an anomalous position between the two Wholesale Societies; suggesting the question:—Why do they not aggregate their purchases? a question which it is hoped these meetings will think worthy of their consideration. If inconsistency is detrimental to the success of the movement when it exists in the lower development of practical Co-operation, it must surely be more so when it exists in the higher. The credit system in connection with Co-operative societies has also been an obstacle to the progress of the movement, but nothing in comparison to the position of committees and salesmen; and the system has been so thoroughly stigmatised, that it is gradually

giving way as Co-operative knowledge increases. Other hindrances might be enumerated, but it is taken for granted that they have been already anticipated by preceding remarks.

A Delegate* suggested a plan he had known to be of great use before commencing a store. Buy weekly 100lbs. of tea wholesale for £25—400 members each taking $\frac{1}{4}$ lb. At the end of the year they would have £50 to spare, with which they might start a store, or undertake some other plan of buying together. Ten men wanting 2/- worth of bacon weekly, could go to a shopkeeper and ask for 40/- worth; they would get a good discount off.

Mr. Ireland considered failure as generally resulting from some or all of three causes:—

(1) Carelessness or dishonesty on the part of the managers.

(2) The insufficient remuneration offered to managers and servants, which failed to secure men who would do their duty.

(3) Shares being withdrawable instead of transferable. He recommended the adoption of the check system, which made the manager responsible for all goods received.

Mr. Nuttall objected. The system had been fully tried in the North, and was now being given up by them. So many circumstances influenced the goods—weighing out, taking stocks, weather, &c.—that, with other servants having access to them, it was both unjust and unreasonable to expect a manager to become personally responsible to a committee.

Mr. F. Wilson (Leamington) urged the Wholesale Society to have a printed list of prices and quantities, from which societies at a distance could buy. It should be made so easy, that every little village would be able to have its Co-operative store; for the smaller (agricultural) villages needed this more than the large town or manufacturing district. The Wholesale might in this way greatly spread Co-operation, and enable many more stores to start in a small way.

A Member of the (London) Industrial Society of Clothiers, said there was no greater cause of failure in Co-operative societies—especially young societies of production—than

the continual howling after cheapness, which was everywhere heard as one of the worst fruits of the competitive system. Tailors and dressmakers were greatly affected from this cause; and until Co-operators were willing to buy goods of honest material, fairly paid for, such societies could hardly exist. They should always ask how cheapness was produced. He had been struck with the excellence of the productions of Co-operative societies at the Exhibition then being held.

A Delegate said that buying in quantities, and doing their own packing, was a very great means of cheapness in several articles.

Mr. Meads (London Co-operative Cabinet Makers) urged the desirability of arrangements which should enable Co-operative societies of production like themselves, to find a market for their goods among Co-operators, who now had to buy in the ordinary way; whilst they had for the most part to work for the trade, who sold their goods to Co-operators and others at a profit.

The time for closing the Congress having now come,

Mr. F. Wilson proposed, Mr. Lloyd Jones seconded, and Mr. A. Greenwood supported, a vote of thanks to the Chairmen of each day's proceedings, and to the Hon. Secretary, who it was said had a genius for hard work, and an aptitude for doing it with exactitude.

The vote was acknowledged by Mr. Auberon Herbert and by Mr. Pare, who said his reward would be the results of the Congress. The Chairman spoke of the good of meeting together. They had discussed Co-operative undertakings for Production. That Congress had surely been such an undertaking, for they intended to produce Co-operators and Co-operative societies all over the country. They must each return as apostles, and spread the truths they had heard.

Votes of thanks were also passed to the Contributors of the Papers, and to Mr. Henry Pitman for his labours in reporting the Congress.*

* Owing to the extreme pressure of time at the last, no formal resolution was come to in reference to the lamented death of Mr. Smithies (see *ante*, p. 17); but the deep sympathy with which Mr. Hughes' words on the subject were greeted, showed the unanimous feeling of the Congress on the subject.

* In consequence of Mr. Pitman's illness, no full notes of this discussion were taken.



Public Meeting.

In the evening of the concluding day of the Congress (Thursday) a public meeting was held in the Theatre of the Society of Arts, and was numerously attended by delegates, leading supporters of the movement, and strangers thereto. Mr. Pare reported the results of the Congress; and the following resolutions were adopted unanimously:—

1. That this meeting has heard with great satisfaction the marked success which has attended the Co-operative system, as developed in distributive stores, and the progress which is making to extend the system of production and banking.

2. That, in the opinion of this meeting, the plan of uniting the interests of capital and labour by partnerships of industry, offers great advantages to both employers and employed, and is earnestly recommended to the former for adoption.

3. That it appears to this meeting the time has come for a closer union or confederation of the Co-operative societies of this country for common purposes, and for a propaganda for extending the Co-operative system to the agricultural and other districts where at present it is not in operation.

Among the speakers were the Hon. Lyulph Stanley, Mr. R. B. D. Morier, Mr. Archibald Briggs, Mr. Lloyd Jones, Mr. Midgley (of the Rochdale Card Manufacturing Company), Mr. Isaiah Lee (Oldham), &c. No report was, unfortunately, taken of the proceedings; but the following details are extracted from a paper in the *Co-operator* for June 26:—

The mover of one of the resolutions having said—"Working men might be sufficiently educated to manage the distributive departments on Co-operative principles; but in the departments of production, working men were deficient of the education which was necessary to conduct them successfully,"—the Manchester and Oldham delegates combated this statement of the hon. gentleman, by giving their own experience. One of them said he was a managing director in a successful Co-operative manufacturing establishment, and that he and all his brother directors were what might be termed uneducated working men. That, in addition to this business, a short time ago they

purchased a ruined manufacturing concern, which had been managed by educated men; and, in spite of all the difficulties that had to be overcome, they had raised it from its ruins, and conducted it until it had become a paying business. He said, gentlemen might be able to speak and write better than working men, but he was happy to be able to inform them that working men knew well how to conduct their own business successfully.

After the vote of thanks was given to the chairman, and the meeting was about to disperse, a gentleman of colour (Mr. William Craft) desired to speak. Perfect stillness instantly prevailed throughout the assembly. He said that he had attended the Congress with the view of learning something about Co-operation, and he had done so with much pleasure and profit. It had struck him during the Congress that capitalists in this country might do labouring men much good, and themselves no harm, by starting Co-operative farms. They might purchase freehold farms, stock them with cattle, provide seeds, plants, and implements, and support the farm labourers until the crops were got. Then, after they had disposed of the produce, they might pay themselves 5 per cent. interest on the amount advanced, and a certain salary for management, and then divide the remainder of the profits among the labourers in proportion to the amount of wages each had received. In like manner the profits might be disposed of each year; and as the farm became remunerative, the capitalists might gradually repay themselves a portion of the sum advanced annually, until all be refunded. Then the farm might be made over to the Co-operative labourers, when they would have learned how to manage the farm for themselves. Mr. Craft said that he was formerly a slave in the southern states of America; but he ran away about 20 years ago—went at one time to Africa, where he had been prosperous, and had made an independency. He had purchased an estate in the southern states of America, where he hoped to be in about a month, and it was his intention there, with his dark brethren, to put into practice the plan he had suggested.



THE EXHIBITION.



The following account of the Exhibition is extracted from the *Co-operator* of June 19:—

One of the features of greatest interest in connection with the Congress, was the Co-operative Bazaar, or Exhibition of Articles manufactured by Co-operative societies and by Industrial Partnerships. Most of the societies of production had contributed articles of their manufacture. Articles not produced, but dealt in—though not strictly according to the programme—very fitly appeared to represent other societies, and added to the interest and extent of the Exhibition. The Exhibition was held at the lecture hall over Mr. Tweedie's, 337, Strand. No charge was made to exhibitors, or for admission. The arrangement was generally very effective. Something like a descriptive statement, or even list of goods, was much wanted, and we hope will be provided in any future Exhibition. On the walls round the room were hung the curious diagrams brought by Mr. Wilson (of Leamington), to represent, he informs us, "the garden of the mind, for the cultivation of the flowers of thought." Above, were Mr. Wilson's rather original mottoes, of which "Laughter lightens labour" was an excellent specimen, and had the merit of being understandable. The actual producing societies represented, were—the Co-operative manufacturing societies of Idle (Yorkshire), Paisley, Dewsbury, Leicester, Staincliffe (Yorkshire), Mansfield (Notts.), the Weber Association of Göppingen (Wurtemberg), and the Cobden Mills of Sabden (Lancashire). These all seemed to be engaged in converting the raw material into the textile fabric, or material of wear. They exhibited hosiery, blankets, flannels, shawls, calicos, dress pieces, stuffs, corsets, &c., and seemed to have found favour with visitors, as many of the goods were marked "sold."

Of manufacturing societies of another kind, were the Framemakers and Gilders, and the Co-operative Cabinet Makers, both of London, who exhibited some handsome specimens of their industry. The Plate Lock Makers of Wolverhampton, and the Nail Makers of Lye, near Stourbridge, sent excellent specimens of their enduring workmanship. The Card Company of Rochdale sent a case of its wire cards,—an article used in the manufacture of cotton. Of Industrial Partnerships, Messrs.

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Greening and Co., of Manchester, were represented by patterns of wire work; Cherry and Fletcher, London, by samples of their printing; and Briggs and Co. by an enormous block of coal, which caused some entertainment to visitors by the contrast it afforded to the other productions. To the bewilderment and amusement of many London visitors, there were sent by the Prestwich society several pairs of wooden clogs, which the Southerners had some difficulty in believing were actually worn upon the feet by a large portion of the working population of the North. The Highbridge society (Devon), and the Assington Co-operative farms (Mr. Gurdon's, Suffolk), sent butter, cheese, eggs, various kinds of grain as samples, and other agricultural productions and exchanges.* The Wholesale Society (London), the Scottish Wholesale (Glasgow), and the North of England Wholesale (Manchester), were represented by patterns of grocery, &c. The Co-operative Flour Mill (Leeds), the Co-operative Corn Mill (Rochdale), and the Union Flour Mill (Sowerby Bridge), sent samples of grain, and of flour, meal, &c., produced by them—though we did not notice a single specimen of genuine flour (we mean the whole grain ground together), which is in use by some Co-operators. While supplying what is in fashion under a system of life generated by ignorance and competition, we do expect Co-operative societies to be the means of teaching economy and healthfulness in connection with the food of their members: and we hope yet to see genuine flour exhibited by them which shall

* The following delightful letter was received with the Assington produce, from our brother-Co-operators of that place:—"Dear Sir,—I beg to say, that the committee of the two Co-operative farms have met, and considered about sending some samples of the produce of the farms to the Exhibition, as requested, and have decided to send a few; but sorry to say that some of the produce is sold out for this season. We don't exhibit for sale, or anything of the kind, but just to substantiate the fact that we are in existence, and let our brother-Co-operators know that a farm can be managed by agricultural labourers. We will pay the carriage up, and have no wish to have them sent back, but leave them in your hands to do what you please with them. Trusting the Congress will be a success, I am, sir, yours truly,—(Signed) J. Deal.—Assington, Suffolk, May 25, 1869."

not have the suspiciously "pale" look of these specimens. "Pale flour" and "pale faces" are not without their connection. Mr. E. T. Craig had brought his characterograph for use in schools, to supersede the present competitive system of prizes; and models of his invaluable ventilation and double bath, we understood, were coming, but did not have the pleasure of seeing them. It only remains to mention the Artizans', Labourers', and General Dwellings Company, Limited. Besides plans of their houses erected in London and Manchester, they exhibited a new ash closet, invented by Mr. Malcolm Macleod, Manchester (the district manager for the Lancashire branch), which, for completeness, economy of space and construction, and adaptation to the end desired,

seems very superior, and has been adopted at the company's houses in Manchester. They also contributed a model of buildings for a Co-operative hotel, or combined workmen's associated homes, by a lady shareholder; and which the company will, if supported, be glad to erect.

There was a quantity of Co-operative literature, supplies of the *Co-operator*, &c., for presentation to strangers attending; and upwards of 2,000 volumes of books, of four different titles, on Social Science, the Currency, Exchanges, &c., which had been presented by John Gray, Esq., through his friend, Mr. Pare, for the libraries of Co-operative societies and working men's clubs.



A List of the Societies represented at the Exhibition, with their respective Contributions to it, is here annexed.

Briggs and Company ... ..	...Coal.
Greening and Company	} Wire Fencing.
Agricultural and Horticultural Association	
Sowerby Bridge Flour Mill ... ..	...Flour and Meal.
West Cramlington do. ... ..	...Flour and Meal.
Leeds do. ... ..	...Flour and Meal.
Rochdale do. ... ..	...Flour, Meal, and Indian Corn.
Mansfield do. ... ..	...Flour, Meal, and Hosiery.
Assington Farms (Suffolk) ... ..	...Corn, Butter, Eggs, &c.
Highbridge (Somerset) ... ..	...Butter and Cheese.
Artizans', Labourers', &c. Building Society	...Model of Associated Homes, Plans of Cottages, &c.
Heckmondwike (Yorks.) ... ..	...Blankets and Flannel.
Cobden Mills ... ..	...Calico.
Wolverhampton Plate Locksmiths ... ..	...Locks.
Lye Nail Makers ... ..	...Nails.
Cherry and Fletcher ... ..	...Printing.
Cherry and Smalldridge ... ..	...Printing Co-operative Bags, &c.
Idle (near Leeds) ... ..	...Woollen Cloths, Table Covers, Blankets, &c.
Paisley ... ..	...Shawls, Skirts, Woollen Shirts, Winceys, &c.
Leicester ... ..	...Hosiery.
London Framemakers and Gilders ... ..	...Frames, Looking Glasses, &c.
London Cabinet Makers ... ..	...Furniture.
Prestwich ... ..	...Lancashire Clogs.
Rochdale Card Manufacturing Society ... ..	...Cards.
Wholesale Co-operative Society ... ..	...Groceries.
Scottish Co-operative Wholesale Society ... ..	...Groceries.

The Cash Receipts for Goods sold amounted to £80.



In order that the Co-operative Societies represented at the Congress, the Subscribers to the expenses fund, the Foreign Correspondents, &c., might be made acquainted as early as possible with the resolutions adopted, without waiting for the publication of the proceedings

in extenso, the hon. secretary issued a four-page circular, containing an epitome of the business, and sent it not only to Societies and private persons interested in the Congress, but to the Editors of the principal newspapers. The following is a copy:—

Results of the London Co-operative Congress, 1869.

The Congress, composed of Delegates from a large number of Co-operative Societies in England and Scotland, and held in the Theatre of the Society of Arts, John-street, Adelphi, London, during the four days, Monday, May 31, to Thursday, June 3,—the chair being occupied successively by Thomas Hughes, Esq., M.P., Anthony J. Mundella, Esq., M.P., Walter Morrison, Esq., M.P., Hon. Auberón Herbert, Sir John Bowring, and the Rev. W. N. Molesworth,—adopted the following resolutions, after the reading of the numerous reports and papers, and discussions on the several subjects indicated in the resolutions:—

Foreign Reports.

1. That the thanks of the Congress are eminently due, and are hereby tendered, to—

A. Davaud, Paris;
M. Arlès Dufour, Oullins Montroses (Rhône);
Herr W. L. W. Faber, secretary to *Arbeideren*, Copenhagen;
M. E. Feuille, Algiers;
Dr. Max Hirsch, Berlin;
Professor Huber, Wernigerode;
Herr Axel Krook, president of the Working Men's Association, Gottenburg;
Herr Edward Pfeiffer, Stuttgart;
Pastor Sonne, Thisted, Denmark;
M. Hubert Vallereux, Advocate, Paris;
Professor Francesco Viganò, Milan;
Professor Gustave Vogt, Berne;
Herr Franz Wirth, Editor of the *Arbetsgeber*, Frankfurt;

for the valuable information they have afforded to this Congress, on the state of Co-operation in Italy, France, Germany, Denmark, Sweden, Switzerland, and Algeria; and to Professor Francesco Viganò, for the present of his works, in the Italian and French languages, on Co-operation and kindred subjects.

Trades Unions.

2. That whilst acknowledging the hindrances which exist in the constitution of Trade Societies, and in the special purposes for which they are established, to the employment by those societies, as separate bodies, of large sums in the formation of Co-operative establishments, this Congress nevertheless, having in view the efficient powers of action for common purposes which the trade societies habitually display in their trade councils, and the help which they so generously afford to each other in trade contests, would impress upon them the expediency of entering upon some joint plan of action for the furtherance (both directly and indirectly) of Co-operation, whether generally or in their respective trades.

Wholesale Agency.

3. That in the opinion of this Congress, it is exceedingly desirable that the committees of the Wholesale Societies consider the practica-

bility of supplying the various Co-operative stores with the productions of the Co-operative Manufacturing Societies; and that the delegates present bring before the notice of their respective societies the extreme desirability of purchasing the whole of such goods from the Co-operative manufacturing societies, and (if so arranged) through the medium of the Wholesale Agency.

Co-operative Bazaars.

4. That it is expedient to establish, in London and elsewhere, as may be found convenient, Bazaars, warehouses, and other establishments, for the exhibition and sale of the productions of Co-operative societies, whether registered under the Industrial and Provident Societies Acts, or the Joint Stock Companies Act; but no society to be deemed Co-operative which divides profits exclusively on capital.

5. That such bazaars, warehouses, &c., be established either through the medium of the North of England Co-operative Wholesale or other existing societies, or by means of a separate association, to be formed under the Industrial and Provident Societies Act, and as nearly as possible on the model of the North of England Wholesale Co-operative Society.

Co-operative Bank.

6. That it is expedient to establish a Co-operative Banking and Credit Association, with a central office and branches, and that inasmuch as the business of banking is still excluded from the benefits of the Industrial and Provident Societies Acts, such association be constituted under the Joint Stock Companies Act, 1862, with limited liability.

That the Association be founded as nearly as possible on the model of the North of England Co-operative Wholesale Society, and formed exclusively of Co-operative societies registered either under the Industrial and Provident Societies Act, or the Joint Stock Companies Act; but no society to be deemed Co-operative which divides profits exclusively on capital.

Provided always, that trade societies of working men, which may obtain a legal position, may be admitted to become members of the association, either by themselves, or by trustees on their behalf.

That the business of the Association be to keep the moneys both on current accounts and on deposits of Co-operative and trade societies, whether members of the Association or not; to discount the paper of Co-operative societies; give guarantees for their transactions; and to do all usual banking business for its customers.

That moneys may be received on deposit from registered Friendly societies, Benefit Building societies, and individual members of Co-operative societies.

Organisation.

The following gentlemen, with power to add to their number, form, at present, the committee for carrying out the foregoing resolutions, viz.:

Thomas Hughes, M.P. ;
 Walter Morrison, M.P. ;
 Anthony J. Mundella, M.P. ;
 William Allan, secretary of the Amalgamated Engineers' Society ;
 Robert Applegarth, secretary of the Amalgamated Carpenters' and Joiners' Society ;
 Robert Owen Greening, managing director of the Agricultural and Horticultural Association ;
 Hon. Auberon Herbert ;
 James Hole, secretary of the Association of Chambers of Commerce ;
 George Jacob Holyoake ;
 Lloyd Jones ;
 John Malcolm Ludlow ;
 William Pare, F.S.S. ;
 Hodgson Pratt, hon. sec. of Working Men's Club and Institute Union ;
 Henry Travis, M.D. ;
 Joseph Woodin.

At a public meeting held on Thursday evening, June 3, to report the results of the Congress—Thomas Hughes, Esq., M.P., in the chair—the following resolutions were adopted unanimously:—

1. That this meeting has heard with great satisfaction the marked success which has attended the Co-operative system, as developed in distributive stores, and the progress which is making to extend the system of production and banking.

2. That, in the opinion of this meeting, the plan of uniting the interests of Capital and Labour by Partnerships of Industry, offers great advantages to both employers and employed, and is earnestly recommended to the former for adoption.

3. That it appears to this meeting the time has come for a closer union or confederation of the Co-operative societies of this country for common purposes, and for a propaganda for extending the Co-operative system to the agricultural and other districts where at present it is not in operation.

Votes of thanks were also passed to the Chairmen of each day's proceedings, the Hon. Secretary, the Contributors, and Mr. Henry Pitman; but, unfortunately, the text of these has not been preserved.

*APPENDIX I.**Statistical Details respecting Societies represented at the Congress.**

Amalgamated Society of Carpenters and Joiners.—The following table, from the 9th annual report (to January, 1869), shows the growth of the society:—

Dates.	Brnchs	Members.	Funds in hand.	NET INCREASE.		
				Brnchs	Members.	Funds.
			£. s. d.			£. s. d.
Dec. 1860	20	618	321 3 2½	...	...	...
" 1861	32	650	593 12 0½	12	32	272 8 10
" 1862	38	949	849 8 10	6	299	255 16 9½
" 1863	53	1,718	2,042 11 3	15	769	1,193 2 5
" 1864	81	3,279	4,566 10 0½	28	1,561	2,523 18 9½
" 1865	134	5,670	8,320 13 7	53	2,391	3,754 3 6½
" 1866	187	8,002	13,052 4 3½	53	2,332	4,781 10 3½
" 1867	203	8,022	15,153 11 2½	16	20	2,101 6 11
" 1868	218	8,736	17,179 16 1	15	714	2,026 4 10½

The total income during the year was £19,692. 4s. 4½d.; and expenditure, £17,665. 19s. 6d. The benefits are:—Donation, tool benefit, sick benefit, superannuation benefit, accident benefit, trade privileges, benevolent grants, and funerals; besides grants and loans to other trades. There is a life-boat subscription; and loans are granted to promote technical education. Among the branches is one in New York. The total expenditure under the above heads, in 8½ years, has been £42,048; or £4. 16s. 2d. per member. The monthly report for June, 1869, shows the number of members to have increased to 9,259.

Amalgamated Society of Engineers, Machinists, Millwrights, Smiths, and Pattern Makers.—The following data are extracted from a table contained in the 18th annual report, to January, 1869:—

Year.	Members.	Balance at end of Year.	Year.	Members.	Balance at end of Year.
		£. s. d.			£. s. d.
1859	17,790	36,831 19 8	1864	28,815	86,947 15 0
1860	20,935	60,198 1 6	1865	30,984	115,357 13 10½
1861	22,862	73,398 1 0½	1866	33,007	138,113 8 3
1862	24,234	67,615 16 6	1867	33,325	125,263 2 7
1863	26,058	67,410 3 8	1868	33,474	98,699 2 1½

The benefits are:—Donation, sick, superannuation, accidents, funerals, and benevolent fund; besides assistance to other trades. The total income during the year was £83,245. 18s. 5½d.; but the expenditure was £109,809. 18s. 11d. The branches are 312 in number—including 14 in British Colonies, 11 in the United States, 1 in Turkey, and 1 in France. The total expenditure for the above benefits, in 18 years, has been £721,655; or £34. 8s. 9½d. per member.

* Many societies have, unfortunately, not sent in reports.

Artizans', Labourers', and General Dwellings Company, Limited.—The 2nd quarterly report, to 31st December, 1868, shows the share capital to be £1810. 14s.; the amount held on deposit to be £1,616. 19s. 5½d.; and that due on mortgages, &c., to be £600. The number of shares taken up is 1341, and of shareholders 649, against 504 and 146 respectively last year. Two estates, at Battersea Park and Salford. Dividend paid, 7½ per cent. on capital, and bonus to labour.

Bacup Co-operative Store, Limited.—A central establishment and four branches. Groceries, drapery, shoemaking, clogging, hardware, and butchers' meat; besides brick cottages and brickmaking. An educational fund, libraries, and four news-rooms. Share capital, by 88th quarterly account (June 21, 1869), £36,184. 15s. 2d.; loans and interest, £2,975. 16s. 7d.; reserve fund and interest, £3,073 6s. 11d.; dividend on the quarter, 2s. 6d. in the £.; business during the quarter, £21,924. 8s. 6d.; and stock-in-trade £8947. 1s. 4d. Number of members, Dec. 31, 1868, 2,336. In twelve years this society received for goods, £778,144. 18s. 3½d., making a profit of £100,836 17s. 8½d.

Banbury Co-operative Industrial Society, Limited.—A central store and 2 branches. Groceries, baking, coals. An educational fund; and tracts issued. Share capital, by 6th half-yearly report, to May 31, 1869, £1,291. 14s. 9d.; no loan capital; reserve fund £71. 18s. 9½d. Business done during the quarter, £3,686 2s. 7d.; dividend on quarter, 1/6 to members, and 10d. to non-members. Number of members, nearly 600, being an increase of nearly 50 per cent. in the last 6 months.

Barrhead Co-operative Society, Limited.—Groceries and drapery; and the members supplied with butchers' meat, bread, and coals. An educational fund. Share capital, by 32nd quarterly report (13th April, 1869), £1,394. 7s. 7d.; being an increase of £145. 14s. 1d. on the quarter. No loan capital. Reserve fund, £11. 1s. 4½d. Dividend and bonus on wages, 1/10, and half to non-members. Average business, nearly £174 per week.

Briggs, Henry, Son, and Company, Limited, Whitwood and Methley Junction Collieries, Normanton, Yorkshire (Partnership of Industry).—Paid-up capital (by half-yearly report, 31st Dec. 1868), £102,805. 10s.; dividend on capital paid, 5 per cent. on half-year. Carried to fund "for payment of bonus to *employés* of the company," for year ending 30th June, 1868, £3,150; reserve fund at same date, £14,190. Owing on debentures, £8,425; redemption fund for same, £2,400. Gross amount of sales of coal, £146,433. 1s. 8d.

Brixton Co-operative Industrial Provident Society, Limited.—One central store and three branches. Provisions, clothing, butcher's meat, coals, and coke; some cottages. Share capital (by 28th quarterly report, 31st March, 1869), £2,194. 2s. 1d. No loan capital; no reserve fund; a "relief" fund. Business done during the quarter, £2,970. 9s. 2½d., and £18. 1s. 1d. for coals and coke; dividend, 8d. on quarter. Number of members, 31st Dec. 1868, 745.

Carpenters and Joiners.—See "Amalgamated Society of."

East London Co-operative Provident and Industrial Society, Limited.—Groceries, drapery, coals, &c. Share capital (by 36th quarterly report, March 29th, 1869), £171. 14s. 4½d.; no loan capital; reserve fund, £12. 8s. 1½d.; an educational fund. Business done during the quarter, £241. 6s. 3d.; dividend, 8d. on quarter. Number of members, 31st Dec. 1868, 112.

Eidsfoss (Norway) Ironworks Co-operative Society. Established October 1, 1868. Capital, £134; business done in seven months, £354. "It has 51 members, all connected with the ironworks, most of whom have been rescued from debt by the operations of the society. They have traded strictly for ready money, both in buying and selling; and when in April last they took stock, and balanced their accounts, they found—after paying all expenses, and allowing for depreciation—they had made a profit of about £21 on the seven months' transactions. This has been divided according to purchases, but has not been drawn out, each member's share being placed to his credit in the capital account. . . . The Eidsfoss Co-operative Society is the first successful attempt of this kind in Norway; an abortive one having been made some two years ago at Kongsborg, the seat of the Government silver mines. The example of Eidsfoss has, however, induced the establishment, under favourable auspices, of a society in the parish of Hof, about 7 miles from Eidsfoss; and Co-operative societies in other parts of Norway are in course of formation."—From *Letters by W. Pare, Esq., Delegate.*

Engineers.—See "Amalgamated Society of."

Framemakers' and Gilders' Association, Limited (London).—Share capital, £2,667. 15s. 8d., held by 23 members, of whom 6 (besides the 3 managing directors) are workmen employed in the business. Average number of men employed, 42. Business done during the 12 months ending 31st Dec. 1868, £5,415. 2s. 9d.—[This is, in effect, an Industrial Partnership, like the "London Co-operative Cabinet Manufacturing Industrial Society," though originated by working men.]

Friendly Society of Iron Founders.—The 59th annual report for 1868 shows the number of members at the close of the year to have been 9,853; being less than the three years next preceding, but exceeding 1864 by 130, and all previous years by still larger figures. The total income for the year was £47,324. 10s. 10d., and the expenditure £50,508. 4s. 10½d.—leaving a net balance of £2,128. 8s. 0½d.; being a decrease of £3,043. 8s. 4½d. during the year. The benefits are—Donation, superannuation, sick, funeral, accident, and emigration. The branches are 104 in number. There is a separate "auxiliary," or trade fund. The total expenditure for the above-mentioned benefits during 21 years has been £381,033. 15s. 3½d.; or £55. 12s. 10½d. per member.

Hastings and St. Leonards Co-operative and Industrial Society, Limited.—Grocery, boots and shoes, hosiery, &c. An educational fund, but discontinued. Share capital (by 8th quarterly report for 22nd, 1869), £1,159. 16s. 10d.; due on mortgage, £700. No reserve fund. Sales for the quarter, £1,323. 10s. 10d.; being an increase of £34. 10s. 2d. over last. Number of members, 345; being an increase of 7 over last quarter. Dividend on members' purchases for quarter, 1/1.

Highbridge Industrial Co-operative Society, Limited.—Groceries, cheese and butter (wholesale and retail). A lecture and educational fund. Share capital (by 6th quarterly report, May

26th, 1869), £455. 9s. 1d.; no loan capital; reserve fund, £15. 10s. Business done during the quarter—Retail, £884. 13s. 3d.—being an increase of £67. 8s. 4½d. over the previous quarter; and wholesale, £309. 14s. 4½d.—being an increase of £146. 10s. 4½d. Dividend on quarter—Retail, 1/8 to members, and 10d. to non-members; wholesale, 2d. to members, and 1d. to wholesale buyers.

Iron Founders.—See “Friendly Society of.”

Kidderminster Power-Loom Carpet Weavers’ Mutual Defence and Provident Association.—The 3rd yearly balance sheet (dated 4th Jan. 1869) shows a balance in hand of £1,822. 10s. 1d.—being an increase of £427. 14s. 6d. over the last; out of a total expenditure during the year of £261. 4s. 8d., £163. 9s. 10d. was expended on the sick department, besides £2. 2s. subscription to the Infirmary, leaving only a sum of £95. 12s. 10d. for all other expenses.

King’s Lynn Co-operative Industrial Society, Limited.—Grocery and provisions, bread, &c., brushes, &c., earthenware, hardware, and boots and shoes; and commission business in coals, butcher’s meat, drapery, and millinery. Share capital (by 7th report, to March 27, 1869), £1,115. 4s. 10d.; no loan capital; reserve fund, £20. 16s. 10d. Business done during the quarter, £1,560. 4s. 10d. Dividend to members for quarter, 6d. Number of members, 328.

Ladywood Co-operative Society, Limited.—Central store and three branches. Groceries, boots and shoes. An educational fund. Share capital (by 13th quarterly account to June 16, 1869), £1,058. 6s. 1d.; no loan capital; reserve fund, £16. 16s. 8d. Goods sold during quarter, £1,787. 6s. 6½d.; being an increase of £796 on corresponding quarter of 1868. Dividend on quarter to members, 1/-.

London Co-operative Cabinet Makers’ Society, Limited.—Share capital, £263. 11s.; loan capital, £104. Business done during the year 1868, £1,215. Number of members, 83; men employed, 9—all members.—(From letter of Mr. E. Meads, manager.)

Lye Provident Co-operative and Industrial Society, Limited.—One central store and branch. Groceries, drapery, and nail-making. A clothing club. Share capital (by 32nd quarterly report, June 21, 1869), £1,053. 17s. 6d.—being an increase of £118 during the quarter; investments, or loan capital, £28. 19s. 6d.; reserve fund, £30. Business done during the quarter, £1,702, of which £229. 13s. 8d. was for nails. Dividend on purchases, 2/2 on the quarter; bonus to labour, 6d.

Mansfield Co-operative Industrial Society, Limited.—A central store and three branches. Groceries, butcher’s meat, drapery, tailoring, shoes and clogs, and a corn mill (the “Rock Mill”). An educational fund and news-room. Share capital (by 19th quarterly report, March 14, 1869), £4,169. 19s. 2d.—being an increase of £598 during the quarter; no loan capital; reserve fund, £125. 6s. 7d. Dividend on the quarter, 1/6 to members, and 9d. to non-members. Business done during the year, £9,655. 10s. 10d. Number of members, 31st Dec. 1868, 511.

Mutual Land, Emigration, and Co-operative Colonisation Company, Limited.—Registered April 13, 1869. Nominal capital, £5,000, in £1 shares. Objects (from memorandum of Association):—“Mutualism and Co-operation in land, mines, rivers, manufactures, trade; and the acquiring of land, by purchase or otherwise, in the United States of America or elsewhere, and the holding thereof, and settling, building upon, improving, managing, clearing, cultivating, planting, letting, sub-letting, farming, selling, granting, alienating, exchanging, mortgaging, charging, or otherwise dealing with and making a mutual profit of lands and hereditaments, and the produce (including minerals) of lands and hereditaments in the United States of America, or elsewhere.” An estate has been purchased in Nemaha County, Kansas, 44 miles from Aitchison city, and three-quarters of a mile from the Branch Union Pacific Railway.

Metropolitan and Home Counties Co-operative Purchasing Association, Limited.—Share capital (by 20th quarterly report, March 31, 1869), £62. 11s. 3d., held by 9 societies; 41 non-shareholding societies supplied with goods. Loan capital, £39. 3s. 2d. Goods sold last quarter, £2,636. 14s. 11d.—being an increase of £958. 5s. 3d. over corresponding quarter of 1868; average profit on trade, 1½ per cent. An educational fund, and labour-profit account; and £1. 15s. 9d. reserve fund. Owing to merchants, £425. 13s.; by societies and others, £426. 9s. 9d. Dividend to members, 8/- per £100.

North of England Co-operative Wholesale Society, Limited.—Head-office, Manchester, with branches at Tipperary and Kilmallock. The following table is taken from the 14th quarterly report, April 10, 1869:—

	Quarter ending April 10, 1869.	Quarter ending April 11, 1868.	Increase.	Per Cent.
Goods sold	£86,439	£75,135	£11,304	15
Capital, Shares, Loan, and Reserve ...	£37,808	£27,651	£10,157	36
Shares taken up	75,683	61,819	13,864	22
Societies holding Shares	191	174	17	10
Societies supplied with Goods	234	227	7	3
Total Expense of conducting business, including Interest	£975	£758	£217	28

Business for the year, £423,506; being an increase of 36 per cent. Dividend to members for quarter, 2d.; to non-members, 1d. The amount of share capital was £15,437. 14s. 10d.; loan capital (members’), £21,221. 3s. 7d.; and reserve fund, £1,109. 11s. 7d.

Oldham Industrial Co-operative Society, Limited (King-street).—A central store and branches. Groceries, drapery, millinery, butchers’ meat, tailoring, shoes, and clogs. An educational fund, and sick and burial society. Members supplied with coals—“from two baskets upwards”—and

"opera glasses, &c., ready at any time to be lent out to the members, at cheap rates." A Co-operative hall, and a penny bank—but "no male adults allowed to enter." Share capital (by 73rd quarterly report, March 12, 1869), £46,940—being an increase of £3,276. 5s. 3d. on the quarter; guarantee fund, £207. 1s. 10d. Business done during the quarter, £26,126. 14s. 11d.—being an increase of £326. 9s. 7½d. over the previous quarter. Dividend to members 2/-, to non-members 1/10. Number of members, 2,763.

Perseverance Boiler Makers' Society (Deptford).—Boiler making and iron ship work in general. Share capital by last yearly return (Dec. 31, 1868), £11. 1s.; loan capital, £20; reserve fund, £2. Business done during the year, £545. 4s.; previous year, £192. 8s. 6d. Average amount of stock-in-trade, £150; entire liabilities at close of year, £84. 9s. 11d.; number of members, 19.

Rochdale Equitable Pioneers' Society, Limited. Central store and ten branches. Separate departments for grocery (retail and wholesale), drapery, millinery, tailoring (retail and wholesale), butchering, shoemaking, clogging (wholesale), baking, pork butchering (retail and wholesale), and tobacco; besides a coal department kept. Share capital (by 97th quarterly report, June 15, 1869), £99,579. 8s. 7d.; loan capital, £598. 12s. 2d.; reserve fund, £718. 8s.; contributions for the quarter to educational fund, £150. 16s. 4d.; amount received for goods during last quarter, £65,416. 5s. 10½d.; profit, £7,401. 5s. 5d.; dividend, 2/-.

Scottish Co-operative Wholesale Society, Limited (Glasgow).—General wholesale dealers. The 3rd quarterly report (5th June, 1869), showed 334 paid-up shares, amounting to £1,208. 10s., which have been taken up by 41 societies. Business has been done with over 96 societies. Loan capital (including interest, and dividends not drawn), £1,913. 19s. 10d.; reserve fund, £57. 5s. 4d. Comparison of second and third quarters:—

	Second Quarter.	Third Quarter.	
Amount of Goods sold.....	£15,592	£17,688	Increase £2,096
Number of Societies Purchasing..	83	93	" 10
Profit on Business done.....	£157	£260	" £103
Expenses on Quarter, per £.....	3½d.	3 1-10th	Decrease nearly ½d.

Stratford Co-operative and Industrial Society, Limited.—Groceries and drapery. Share capital (by 16th half-yearly report, 31st Dec. 1868), £1,091. 1s. 1d.—being an increase of £240 on the half-year; no loan capital; reserve fund, £123. 12s. 0½d. Number of members, 278. Business done during the half-year, £3,407. 10s. 4d.; dividend, 1/6 on half-year.

Weber (Weaver) Association, Göppingen, Wurtemberg.—The following interesting account of this Association is given in a letter from M. Otto Uber, delegate to the Congress:—"The Weber Association of Göppingen, Wurtemberg, carries on business in the following manner:—1. Capital upwards of £2,000. 2. The profit resulting from the transactions is distributed over the wages. The wages of the non-members are cast up, as are also the wages of the members (separately). The profit is first distributed over these two sums, according to their amount. Of the profit of the work done by non-members, each member receives an equal share. Of the profit of the work done by the members, each member receives his amount according to the amount of wages received by him during the year. For instance, a member earning £60 wages, would receive a larger share of profit than a member earning only £50, because one man may do more work in the same time than another. 3. For the capital invested by the members, 5 per cent. interest is paid to them: but, as mentioned before, the distribution of profits is not done according to the amounts paid in."

APPENDIX II.

(1)

Paper by Mr. Malcolm Macleod, of Manchester, on

Co-operative Production,

and the Investment of the

Surplus Funds of Trade, Provident, and Co-operative Societies.*

To admit that Courts of Arbitration and Conciliation are necessary, is to confess that there are causes of irritation—the natural outgrowth of a system conducted by persons who feel they have separate interests. To admit that Co-operation is necessary, is to condemn the present competitive, cheat-or-be-cheated system—a system of shoddy cloth, china clay calicoes, jerry houses, bone dust bread, sandy sugar, home-made milk, cast-iron cutlery, immense wealth, and hopeless poverty. The interests of Capital and Labour are said to be identical; whilst the daily struggles for

profit by the employers, and for wages by the workmen, prove the contrary. Trades Unions are palliative, but not curative. The power of capital renders association and unity by the workmen an imperative duty—one of self-defence and self-preservation. "Free Labour" stands in contradistinction to the *labour of free men*; and is neither palliative nor curative, but aggravative; irritating the best men—those in unions, enslaving the dependent, and leading public attention from the real cure, Co-operation.

Labour is stimulated by intelligence. There must be a motive and ambition, if we would have it to fully develop and fructify. In the master-and-servant, profit-and-wages system, trades unions, at great cost to both parties and the public, have to fight for all they require, be the demand just or unjust. As slave labour has proved unremunerative, so servant labour will be proved. As Mr. J. S. Mill has written—"Feudalism hath passed away; slavery is passing away; and wages servitude will pass away." The cure is in the coming era—an era of fair trade, pure productions, and mutual benefit; when the interests of the community

* See p. 31 as to this and the following Paper.

will take precedence over that of the individual. Sir James Emmerson Tennant rightly said—"Despised and underpaid labour is but modified slavery; a system as demoralising to the master as to the servant." And we know (as Burns says) that

He is the brave,
Who will not have nor be a slave:

or, as Lamartine wrote—"So long as this immense problem shall not be solved in the interests of all, there will never be repose for society, nor security for the rich man; he is as much interested as the poor man that its solution should be prompt, and, above all, equitable." But what is equitable, in Co-operation? I answer—The *average wages* and *average profits*; and after all expenses have been met, and contingencies provided for, to divide the balance (if any) between Labour and Capital. This, and this only, is true Co-operation.

Co-operative Production may be worked under three forms:—1st. Co-operative Partnerships of Industry. 2nd. Ordinary joint-stock companies giving a bonus—*i.e.*, dividing surplus profits with workmen. 3rd. Trade societies forming themselves into a Manufacturing company—like the Plate-Lock Workers of Wolverhampton, the Gilders of London, or the Tailors of Manchester.

When wise and benevolent capitalists or manufacturers, like Messrs. Briggs, the South Buckley Company, the Messrs. Crossley, or the Messrs. Greening, can be found, I much prefer Co-partnerships. Because, whilst all the advantages of the 2nd and 3rd forms are gained, there are fewer risks. Those who have previously managed the concern successfully, still hold the helm. In these Co-partnerships the previous employers agree to limit their profits (say) to 10 per cent.; that is wages on capital. The workmen receive the average wages of the trade; that pays for labour. If after paying these expenses, and allowing for wear and tear, providing for bad trade, &c. by a contingency fund, there should be a balance, it is divided between Labour and Capital. The workmen have also the option of becoming shareholders in the concern, by contributing small sums periodically.

The second method is where joint-stock companies allow a small bonus on labour. Though it is in advance of the old selfish principle, it stops short on a good road.

The third is that which I most desire, but of which I have fewest hopes;—where a trade society, or its members individually, form a Co-operative company, like the Plate-Lock Makers of Wolverhampton have done, and the Printers and Building Trades of Manchester are doing. If it be a pure trade society concern, it will have all members—good, bad, and indifferent; but if of members individually, it will be composed of the most intelligent and sober. These will require to become accustomed to business management, and to form business connections. But by far the greatest obstacle is the want of capital or credit. To call attention to means—some tried and successful, others proposed and equally feasible—by which Co-operative societies may obtain capital or credit, is the object of this paper.

In France and Germany, where Co-operative Production has taken that place which with us is held by Co-operative Distribution, they have met this difficulty. The German system known by the name of its originator, Herr Schulze-Delitzsch, may be called a Co-operative Banking Company, where persons take certain liabilities, represented by shares of a given value, and loans are contracted on this responsibility. The capital of the bank is lent to workmen's associations engaged in Co-operative manufacturing, &c.

The French system of Credit on Labour has the same object in view, and seems to have been equally successful. To the British mind it may be described as a bank to borrow and lend, and do for Co-operative societies what ordinary banks do for the commercial world. The capital is raised by persons or Co-operative concerns taking given liabilities. Suppose the working shareholder in the Co-operative manufactory to take up shares in the Credit on Labour Society, he would agree to leave so much of his wages in the firm where he was employed, as would meet the subscription.

But what seems to be better adapted to the British mind, is the plan proposed by Mr. Ludlow, where societies having funds shall allow their trustees to become security for a fixed amount; and so enable Co-operative workmen to obtain credit, just as is done by their employers, with the aid of references.* What immense good the society to which I belong—the Amalgamated Engineers—could do with its surplus funds, even without removing a penny of its investments! It might become security to a society until the said society had become established and known, and would need no external assistance; then repeat the same to another society, and so on. If all workmen's associations—Trade, Co-operative, and Provident societies—acted on this principle, what a revolution would be worked in the industrial world in a single year! But it is because I fear we may be too long in learning the lesson, and because I have in a very small way succeeded with a plan, that I venture to recommend the Artizans', Labourers', and General Dwellings Company, Limited, which employs its own capital and shareholders in erecting improved Workmen's Dwellings. It is a Co-operative society in the capital and labour sense, and is now building improved workmen's houses in Manchester.

The stonemasons of Manchester some months ago commenced to form a Co-operative Stonemasons' society (which the strike will seriously retard), and subscribed funds for that purpose. I succeeded in inducing them to invest their small capital with the company named; and they receive 5 per cent. instead of 2½ per cent. interest, besides recognising and assisting a kindred society. The members of the various building trades in Manchester have since formed a Co-operative Building Society, and they too have invested with the Artizans' Building Company. To meet these cases, the customary seven days' notice to withdraw is dispensed with, and they may be paid on

* The Bill to legalise Trades Unions, as proposed by Mr. Hughes, would, if carried, remove one great obstacle to the adoption of Mr. Ludlow's plan.

demand. Now, if all trade societies invested their surplus funds with Co-operative societies similarly engaged, what good might result! The funds which they bank at present, receiving $2\frac{1}{2}$ per cent. interest therefrom, enable employers and others to borrow at 5 per cent.—often making 10 to 20 per cent. clear, besides being able to resist the men's demand for any alteration in time, wages, or customs. I would therefore recommend that Trade societies especially—and Co-operative stores and friendly societies generally—should select some well-managed Co-operative Productive Association, and there deposit their surplus or reserve funds. It might be well if the association receiving the investment gave such investors preferential claims—even if at less interest—so that the risk might be reduced to the lowest possible point. For a trade and provident society's funds being subscribed for specific but not for trading purposes, absolute security is by far preferable to a high rate of interest; and this might be provided for by making the societies the first claimants on a Co-operative concern.

That capital is required for Co-operative production, all will acknowledge. That there is capital—the accumulated savings of the very class which need it for production—must be seen. That it is not made accessible, will be deplored. But by whatever plan, or system, or contrivance, it be accomplished, it must be done. To this end is this work-bench, trades-union view of the question written.

To show some of the practical benefits of Co-operation, I may mention that whilst the stonemasons of Manchester are on strike, the plasterers locked out, the joiners and painters in a threatening attitude, and the building trades generally in a most unsatisfactory condition,—the working shareholders of the Artizans', Labourers', and General Dwellings Company, Limited, have continued work without a complaint of any kind being made; and whilst it is supposed that working men are opposed to machinery, the carpenters in the employ of the company have voluntarily reduced the price of their contract, as an inducement to the board of directors to purchase machinery, which has been done to the benefit of all.

(2)

Paper by Mr. James Samuelson, of Liverpool,
Editor of the *Journal of Science*, on

Co-operative Trading Companies.

With reference to the resolution passed by the Co-operative Congress, concerning the utilisation of Trades Unions for the purpose of establishing Co-operative Companies, and the discussion thereupon, it may be interesting to the Congress to know that the experiment has succeeded in Liverpool. About a year since, I had the pleasure, in company with two other friends, to assist a number of artisans in the building trade, to establish the "Industrial Building Company, Limited." It received the support of three or four trade societies, and a large number of individual artisans, who took

shares in it. Mr. Joseph Bromilow (an ex-working man) was elected managing director. He has conducted the business of the company with remarkable prudence, tact, and energy, and has gained universal confidence. A clause was inserted in the articles of association, providing for the appointment of two arbitrators; and Mr. Joseph Boulton (architect) and myself were chosen as honorary occupants of the office. We have had no cause to interfere, and our services are not likely to be needed.

The company has taken three considerable contracts, and is at present engaged upon the third. It is a large forge for Messrs. Clay and Inman (Birkenhead); and Mr. Siemens, C.E. (London), has given the men the job of erecting his furnaces in connection with the forge. The directors of the company are acting as foremen on the work in progress, and many of the men employed are shareholders in the company. About 80 bricklayers, besides men in other trades, are actively engaged on the job. In a pecuniary sense the undertaking has exceeded all expectation. I believe the company will shortly have another large contract: and one customer recommends another—so well pleased is each with the performance of the work. My interest in the company is nominal—20 shares of £1 each.

I can fully endorse all that was said in favour of Co-operation as a means of putting an end to strikes, as well as of improving the condition of artisans, by making them thrifty, sober, hard-working, honourable men; and although I sometimes hear it said, as a taunt, that they do better for themselves than they would for their employers, I can only see in that fact—for a fact it is—a natural love of work, and zeal for the interests of the independent employer, stimulated by the knowledge that a portion of their earnings is set aside for themselves and their children, instead of the whole going into the pockets of their masters. I know, from actual observation, that employers of labour lose nothing by allowing the working man something beyond his mere weekly wages.

Out of the "Industrial Building Company" has sprung a project for a "Trades Hall"—eight unions having combined to leave the public-house, and occupy offices in the "Hall." Reading rooms and a smoke room will be embraced in the project. Of this I am at present the chairman; and shall, if possible, see it safely established. The quicksands and rocks in the way of such undertakings are manifold. Sometimes the men have no confidence in their advisers of the higher class; sometimes they distrust each other. Then, they are apt to quarrel, and forget that a working man is no more privileged to use coarse language than a gentleman (so-called). Sometimes their managers, unaccustomed to handle money, cannot resist temptation when it comes in their way; or, not unfrequently, those who have been the loudest in denouncing employers, become the hardest taskmasters. The system is still tentative, but I have full confidence in its ultimate success.

APPENDIX III.

BALANCE SHEET OF THE CONGRESS, 1869.

Dr.	THE LONDON CO-OPERATIVE CONGRESS IN ACCOUNT WITH THE TREASURERS.			Cr.			
	£.	s.	d.		£.	s.	d.
To Subscriptions	117	13	9	By Printing—Cherry and Fletcher ...	26	9	6
" Remittances from Co-operative Societies for signs	4	10	0	" Stationery	1	11	10
" Small sums of money from various sources	0	14	9	" Postages	15	5	8
				" Advertising	17	4	0
				" Salaries—R. Stephens	15	13	0
				" Reporting—H. Pitman	10	0	0
				" Travelling expenses... ..	5	7	6
				" Room of Society of Arts, gas, and attendance	4	0	0
				" Room for Exhibition	9	9	0
				" Carriages	0	4	10
				" Rent of offices—Agricultural Association	2	2	0
				" Distributing bills and posting placards	2	16	6
				" Loss on sale of hosiery goods at Exhibition	4	1	9
				" Preparing signs of Co-operative Societies	6	10	6
				" Petty expenses	5	4	2½
Balance	3	1	9½		£126	0	3½
	£126	0	3½				
		</					

By Balance short of expenses... £3 1 9½

Examined and found correct.—JAMES HOLE.

List of Guarantors and Subscribers.

Original Guarantors.

	£.	s.	d.
Thomas Hughes, Esq., M.P.	5	0	0
Walter Morrison, Esq., M.P.	5	0	0
Edward Owen Greening	5	0	0
William Pare, F.S.S.	5	0	0
Dr. Travis	5	0	0
J. J. Merriman, Esq.	5	0	0
James Hole, Esq.	5	0	0
Hodgson Pratt, Esq.	5	0	0
R. Cowell Stepney, Esq.	5	0	0
R. Swindlehurst, Esq.	5	0	0
Hon. Auberon Herbert	5	0	0
Charles Lamport, Esq.	5	0	0
Francis Pears, Esq.	5	0	0
Colonel Clinton	5	0	0
Arthur Trevelyan, Esq., J.P.	5	0	0
Frederick Wilson, Esq.	5	0	0
Le Comte de Paris	5	0	0
Edward Vansittart Neale, Esq.	5	0	0
North of England Wholesale Co-operative Society	10	0	0
	£100	0	0

Subscriptions Received.

	£.	s.	d.
Arthur Trevelyan, Esq., J.P., Tyneholm	5	0	0
S. A. R. Le Comte de Paris	5	0	0
Colonel H. Clinton, Royston, Herts.	5	0	0
Francis Pears, Esq., Isleworth	5	0	0
Accrington Co-operative Industrial Society	3	3	0
Hodgson Pratt, Esq.—20/- paid	5	0	0
E. V. Neale, Esq., Downshire Hall	3	2	0
R. Cowell Stepney, Esq., Bolton-st., Piccadilly, London	2	12	0
Walter Morrison, Esq., M.P.	5	2	0
Blaydon Co-operative Society	2	2	0
R. M. Carter, Esq., M.P., 123, Buckingham Palace-road	2	2	0
John Holmes, Esq., Methley, Leeds	2	2	0
Dr. Travis, High-street, Camden Town	2	2	0
James Hole, Esq.	1	0	0
Frederick Wilson, Esq., Leamington	2	0	0
West Cramlington Co-operative Society	2	0	0
Sunderland Equitable Industrial Co-operative Society	2	0	0
William Nuttall, Esq.	1	11	0
Derby Co-operative Society	1	10	0
R. Swindlehurst, Esq.	1	6	0
Joseph Woodin, Esq.	1	1	0
William Pare, Esq., F.S.S.	1	1	0
Archibald Briggs, Esq.	1	1	0
Thomas Beggs, Esq.	1	1	0
Hon. and Rev. J. W. Leigh	1	1	0
Cobden Mills Company	1	1	0
John Frearson, Esq., The Crescent, Birmingham	1	1	0
J. M. Ludlow, Esq.	1	1	0
Mansfield Co-operative Society	1	1	0
Cabinet Makers' Co-operative Society	1	1	0
Framemakers' and Gilders' Co-operative Association	1	1	0
Lyham Co-operative Society, Brixton	1	1	0
Hastings and St. Leonards Co-operative Society	1	1	0
Leeds Co-operative Society	1	1	0
R. B. W. Morier, Esq.	1	1	0
Saltaire Co-operative Society	1	1	0
Edward Owen Greening, Esq.	1	1	0
Thomas Hughes, Esq., M.P.	1	1	0
Hon. Auberon Herbert	1	0	0
Benjamin Walker, Esq., Lenton, Notts.	1	0	0
Charles Lamport, Esq.	1	0	0
Ladywood Co-operative Society	1	0	0
Stratford Co-operative Society	1	0	0
Ion Perdicaris, Esq.	1	0	0
Wallsend Co-operative Society	1	0	0
Glass Bottle Makers' Protection Society	1	0	0
Trowbridge Co-operative Society (per D. Lucas, Esq.)	1	0	0
Darwen Co-operative Society	1	0	0
Co-operative Hosiery Society, Leicester	1	0	0
Queensbury Co-operative Society	1	0	0
Stockton-on-Tees do.	1	0	0
Sheepbridge do.	1	0	0
Todmorden do.	1	0	0
Cherry and Smalldridge, Dublin	1	0	0
Frederick Pennington, Esq.	1	0	0
Consett Industrial Society	1	0	0
Lincoln Equitable Industrial Co-operative Society	1	0	0
Gloucester Co-operative Industrial Society	1	0	0
Highbridge Industrial Co-operative Society	1	0	0
Long Buckby Industrial Society	1	0	0
James Haughton, Esq., Dublin	1	0	0
J. F. Salisbury, Paddington	0	11	6
Crooke Co-operative Society	0	10	6
Pimlico and Westminster do.	0	10	6
Newport Working Men's do.	0	10	6
Lye do.	0	10	6
E. Truelove, Esq., 256, High Holborn	0	12	0
F. Buckland, Esq.	0	10	0
J. J. Merriman, Esq.	0	10	0

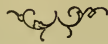
	£.	s.	d.
Penmaenmawr Co-operative Society	0	10	0
Macclesfield do.	0	10	0
Thomas Ewbank, Esq.	0	10	0
Idle Co-operative Commercial Society (Manufacturing)	0	10	0
Lowestoft Co-operative Society	0	10	0
Newbottle do.	0	10	0
London and Provincial Co-operative Building Society	0	10	0
Rev. Richard Shaen	0	10	0
Farnham Co-operative Society	0	9	8
Handsworth do.	0	8	6
Stafford do.	0	7	0
Buckfastleigh do.	0	6	0
Banbury Co-operative Industrial Society	0	5	0
Workington Co-operative Society	0	5	0
J. Pashley, London	0	5	0
R. Stephens, do.	0	5	0
Rugby Industrial Society	0	5	0
Richmond Co-operative Society	0	5	0
Bethnal Green do.	0	5	0
Swinton do.	0	5	0
John Ireland (Metropolitan Wholesale Society)	0	5	0
Bridlington Co-operative Society	0	5	0
St. John's Wood do.	0	5	0
Princes End do.	0	5	0
Glasgow do.	0	5	0
William H. Stanhope (for — Co-operative Society)	0	5	0
Frome Co-operative Society	0	5	0
Longtown do.	0	4	0
— Cooper, Kingsland,	0	2	6
J. G. Kendall, 2/7; Jos. Stapleton, Ealing, 2/6	0	5	1
L. Sterne, Westminster, 2/6; W. Townshend, 2/6	0	5	0
East London Co-operative Society, 2/6: — Newton, 2/6	0	5	0
James Wilson, 2/6; E. Meads, 2/6	0	5	0
E. Foskett, 2/6; J. Cherry, 2/6	0	5	0
M. Davis, 2/6; R. Applegarth, 2/6	0	5	0
J. O'Shaughnessy, 2/-; Gosport Co-operative Society, 2/-	0	4	0
George Storrs, 1/-; J. H. Tyson, 1/-; Erasmus Bycroft, 1/-	0	3	0
Thomas Proverbs, Banbury, 1/-; Jos. Baker, 6d.	0	1	6
L. Jones	0	5	0
W. Allan	1	0	0

£117 13 9*

* We need hardly remind our friends that if the Provisional Committee is to do any largely effective work, its budget will also need to be attended to.



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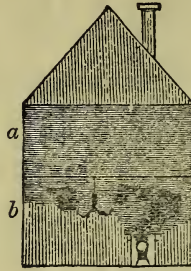


Diagram 2.

a A Bedroom of civilised life, without inlet or outlet; and hence Consumption and other Diseases.
b Gas adds to the evil as it ascends to fill the Bedrooms and Children's Dormitories.

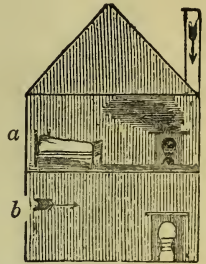


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